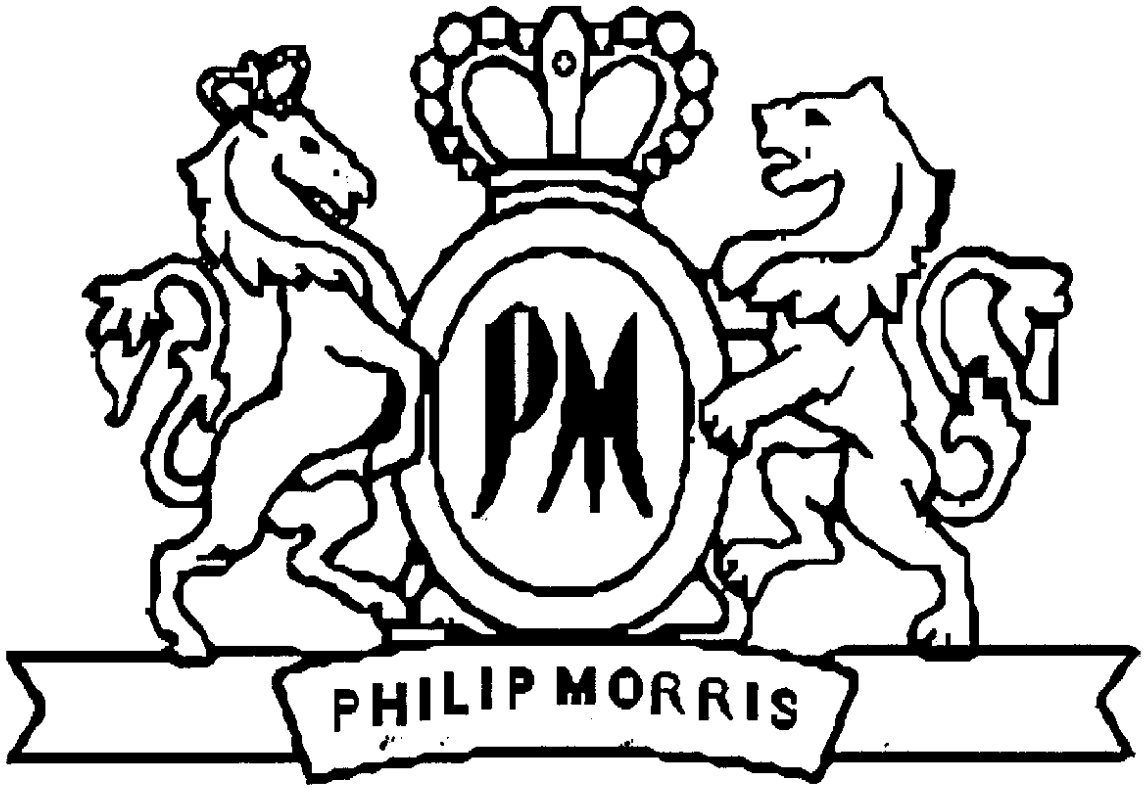
EXTREMELY CONFIDENTIAL



U.S.A.

WEEKLY PERFORMANCE SUMMARY

May 31, 1994

Marketing Information & Analysis

2023655884

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Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

WEEKLY UPDATE
IMPLICATIONS
MAY 31, 1994

- Most benchmarks remain favorable except Basic's share of discount (shipments and C-stores).
  - $ pack price gaps (Marlboro vs. Lowest Discount) in C-stores turned unfavorable.

Shipments

- Industry and PM shipments remain strong for the week, month and Quarter-to-date.

- PM-USA weekly shipments (5.3 billion) were above norm and projection due to orders advanced prior to Memorial Day.
  - PM-USA QTD shipments are 9.3 billion above forecast, mainly due to above average McLane shipments, absence of a First Quarter trade program and Marlboro Country Store 5 for 4s.

Retail

- PM and Marlboro continue to advance to record share levels coinciding with Country Store 5 for 4s sell through.
- Discount category is holding at 32-33%, with more recent weekly declines paralleling lower Basic promotional support and increased Marlboro activity.

Pricing

- The pricing environment is stable.
- <99¢ pricing incidence this week (15%) approximate YTD activity (14%).

Michigan State Excise Tax

- No significant share, mix or volume variations. Industry off -4%, Marlboro performance off -1% in volume.

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Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

SHIPMENTS

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Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

PM-USA
SECOND QUARTER PERFORMANCE
W/E 5/27/94

Week

- Most shipment performance benchmarks are favorable.
  - Basic's share of Discount has been marginally unfavorable for the past three weeks.

- Industry volume for the week (11.3 billion units) was influenced primarily by orders advanced prior to the Memorial Day holiday.
  - PM-USA and all major competitors were above expected weekly levels.

- PM-USA's weekly volume (5.3 billion units) was inflated primarily by shipment flexibility associated with the Memorial Day warehouse closings.
  - Accounts were allowed to advance up to 150% of their weekly allocation (5/30-6/3).
    - 37 of the top 100 accounts participated, purchasing more than half of their rolling two-week allocations.
  - LIFO orders for Eby Brown and Grocery Supply (380 million units).
  - Marlboro 5 for 4 shipments (51 million units).

- PM-USA's May and QTD volume were above forecast by 1.9 and 9.3 billion units respectively, influenced by:
  - Lack of 1st Quarter trade program payback (4.0 billion).
  - McLane above average shipments (2.1 billion).
  - All other direct account excess purchases including LIFO (0.8 billion).
  - Stronger going rate (1.0 billion).
  - Marlboro Country Store 5 for 4 shipments (1.5 billion).
  - Michigan accounts (-0.1 billion).

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Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

BENCHMARKS - TOTAL US

SHIPMENTS 13 WEEK MOVING

	Benchmarks	13 Weeks Ending 27-May		Current vs. Benchmark
Philip Morris	42.0	45.0		3.0 Favorable
Marlboro	24.9	28.1		3.2 Favorable
OPB	7.8	8.1		0.3 Favorable
Virginia Slims	2.2	2.4		0.2 Favorable
Benson & Hedges	2.5	2.5		0.0 Favorable
Merit	2.3	2.4		0.1 Favorable
Parliament	0.6	0.7		0.1 Favorable
Basic-Share of Discount	14.2	14.1		0.1 Unfavorable
Private Label-Share of Market	8.5	6.7	*	1.8 Favorable
C-Store Pack Price Lowest Discount**	$1.34	$1.34		$0.00 Favorable

*Reflects most current data for three months ending April 1994.

**Reflects a change in pricing data source from Market Decisions to Nielsen.

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Ship (13wm) trigger

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

SHIPMENTS
(To All Direct Accounts)

COMPANY	PM	RJR	B&W	American	Lorillard	Liggett
13 wk Base Feb. 25,1994	44.79	27.90	10.96	6.81	7.18	2.35
May 27, 1994 (13wm)	44.96	26.73	11.26	7.13	7.48	2.42
	0.17	(1.17)	0.30	0.32	0.30	0.07

CATEGORY	Premium	Discount
13 wk Base Feb. 25,1994	66.53	33.47
May 27, 1994 (13wm)	67.50	32.50
	0.97	(0.97)

PM MAJOR BRANDS	Marlboro	PM OPB	V. Slims	B & H	Merit	Parliament
13 wk Base Feb. 25,1994	26.87	8.50	2.46	2.66	2.50	0.65
May 27, 1994 (13wm)	28.10	8.06	2.37	2.47	2.36	0.66
	1.23	(0.44)	(0.09)	(0.19)	(0.14)	0.01

PM BRANDED DISCOUNTS	Basic	Cambridge	Bristol	Alpine
13 wk Base Feb. 25,1994	5.03	1.76	0.21	0.36
May 27, 1994 (13wm)	4.57	1.82	0.20	0.36
	(0.46)	0.06	(0.01)	0.00

PM PRIVATE LABEL	PM
13 wk Base Feb. 25,1994	1.98
May 27, 1994 (13wm)	1.78
	(0.20)

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Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

INDUSTRY AND ALL MANUFACTURER VOLUMES AVERAGED +20% ABOVE LAST WEEK DUE TO ADDITIONAL SHIPMENTS PRIOR TO MEMORIAL DAY.

WEEKLY VOLUME
5/27 VS 5/20

	5/27/94	5/20/94	5/13/94	DIFF VS. PREV. WEEK	% CHANGE
INDUSTRY	11,299	9,374	9,375	1,925	20.5%
PM	5,257	4,292	4,234	965	22.5%
RJ REYNOLDS	2,935	2,446	2,499	489	20.0%
B & W	1,245	1,071	1,043	174	16.2%
LORILLARD	837	727	701	110	15.1%
AMERICAN	759	626	676	133	21.2%
LIGGETT	264	210	216	54	25.7%

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MFR CHANGES 5/20 vs 5/13

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

PRELIMINARY WEEKLY VOLUME AND SHARE

W/E 5/27/94

WEEK

	VOLUME	DIFF VS 1993	% CHANGE VS 1993	SHARE	DIFF VS 1993	FCST	VOLUME DIFF VS FCST	% CHANGE VS FCST
INDUSTRY	11,299	-977	-8.0%			9,369	1,930	20.6%
PHILIP MORRIS	5,257	-261	-4.7%	46.52	1.58	3,985	1,272	31.9%
R.J. REYNOLDS	2,935	-704	-19.4%	25.98	-3.67	2,803	132	4.7%
B&W	1,245	-72	-5.5%	11.02	0.29	1,082	163	15.1%
LORILLARD	837	2	0.3%	7.41	0.61	690	147	21.3%
AMERICAN	759	81	11.9%	6.72	1.19	618	141	22.8%
LIGGETT	264	-22	-7.8%	2.33	0.00	191	73	38.0%

	DISCOUNT			PREMIUM		
	VOLUME	SHARE	%CONT.	VOLUME	SHARE	%CONT.
INDUSTRY	3,482	30.81		7,817	69.19	
PHILIP MORRIS	959	27.55	18.2%	4,298	54.98	81.8%
R.J. REYNOLDS	1,153	33.12	39.3%	1,782	22.79	60.7%
B&W	754	21.66	60.6%	491	6.28	39.4%
LORILLARD	36	1.04	4.3%	801	10.24	95.7%
AMERICAN	394	11.31	51.9%	365	4.67	48.1%
LIGGETT	184	5.30	70.0%	79	1.01	30.0%

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Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

PRELIMINARY VOLUME AND SHARE
W/E 5/27/94

TOTAL INDUSTRY YEAR TO DATE

	VOLUME	DIFF VS 1993	%CHANGE VS 1993	SHARE	DIFF VS 1993	FCST	VOLUME DIFF VS FCST	%CHANGE VS FCST
INDUSTRY	196,119	22,033	12.7%			183,082	13,038	7.1%
PHILIP MORRIS	87,277	16,991	24.2%	44.50	4.13	75,599	11,676	15.4%
R.J. REYNOLDS	54,068	-3,500	-6.1%	27.57	-5.50	55,702	-1,634	-2.9%
B&W	21,881	4,050	22.7%	11.16	0.91	21,624	257	1.2%
LORILLARD	14,499	2,168	17.6%	7.39	0.31	13,961	538	3.9%
AMERICAN	13,866	2,027	17.1%	7.07	0.27	12,347	1,519	12.3%
LIGGETT	4,489	291	6.9%	2.29	-0.12	3,849	640	16.6%

DISCOUNT YEAR TO DATE

	VOLUME	DIFF VS 1993	%CHANGE VS 1993	SHARE	DIFF VS 1993
INDUSTRY	64,321	-5,882	-8.4%	32.80	-7.53
PHILIP MORRIS	17,250	-4,048	-19.0%	26.82	-3.52
R.J. REYNOLDS	22,276	-4,848	-17.9%	34.63	-4.00
B&W	13,154	981	8.1%	20.45	3.11
LORILLARD	628	-55	-8.0%	0.98	0.00
AMERICAN	7,602	1,518	24.9%	11.82	3.15
LIGGETT	3,407	568	20.0%	5.30	1.25

PREMIUM YEAR TO DATE

	VOLUME	DIFF VS 1993	%CHANGE VS 1993	SHARE	DIFF VS 1993
INDUSTRY	131,798	27,914	26.9%	67.20	7.53
PHILIP MORRIS	70,026	21,039	42.9%	53.13	5.98
R.J. REYNOLDS	31,791	1,348	4.4%	24.12	-5.18
B&W	8,727	3,069	54.3%	6.62	1.18
LORILLARD	13,871	2,223	19.1%	10.52	-0.69
AMERICAN	6,265	509	8.8%	4.75	-0.79
LIGGETT	1,082	-276	-20.3%	0.82	-0.49

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Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

13WM AVERAGE BY COMPETITOR
W/E 5/27/94

	VOLUME	DIFF VS PRIOR 13 WKS	% CHANGE VS PRIOR 13 WKS	SHARE	DIFF VS PRIOR 13 WKS
INDUSTRY	9,549	284	3.1%		
PHILIP MORRIS	4,293	143	3.5%	44.96	0.17
R.J. REYNOLDS	2,552	-33	-1.3%	26.73	-1.17
B&W	1,075	60	5.9%	11.26	0.30
LORILLARD	715	49	7.4%	7.48	0.30
AMERICAN	681	51	8.0%	7.13	0.32
LIGGETT	231	14	6.3%	2.42	0.07

DISCOUNT

	VOLUME	DIFF VS PRIOR 13 WKS	% CHANGE VS PRIOR 13 WKS	SHARE OF CAT.	DIFF VS PRIOR 13 WKS
INDUSTRY	3,103	2	0.1%	32.50	-0.97
PHILIP MORRIS	840	-32	-3.7%	27.08	-1.05
R.J. REYNOLDS	1,037	-43	-4.0%	33.43	-1.41
B&W	644	32	5.3%	20.75	1.03
LORILLARD	31	4	13.8%	0.99	0.12
AMERICAN	376	38	11.1%	12.11	1.20
LIGGETT	175	3	2.0%	5.63	0.11

PREMIUM

	VOLUME	DIFF VS PRIOR 13 WKS	% CHANGE VS PRIOR 13 WKS	SHARE OF CAT.	DIFF VS PRIOR 13 WKS
INDUSTRY	6,445	282	4.6%	67.50	0.97
PHILIP MORRIS	3,452	176	5.4%	53.57	0.40
R.J. REYNOLDS	1,515	10	0.7%	23.50	-0.91
B&W	431	27	6.8%	6.69	0.14
LORILLARD	684	45	7.1%	10.61	0.25
AMERICAN	305	13	4.4%	4.74	-0.01
LIGGETT	57	10	22.0%	0.88	0.13

	1994 BENCHMARK	13WM ACTUAL	DIFF.	BENCHMARK GUIDELINE
PM-USA:	42.00	44.96	2.96	FAVORABLE
MARLBORO SHARE OF INDUSTRY	24.90	28.10	3.20	FAVORABLE
BASIC SHARE OF DISCOUNT	14.20	14.06	0.14	UNFAVORABLE

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Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

Philip Morris USA

PM SHIPMENTS TO MCLANE REMAINED ABOVE AVERAGE DUE TO MARLBORO 5 FOR 4s AND HOLIDAY PRE-SHIPMENTS. MCLANE'S SALES TO RETAIL HAVE BEEN AVERAGING 545 MILLION PER WEEK.

TOTAL PM VOLUME MCLANE

(millions of cigarettes)

Week ending	PM shipped to McLane	McLane shipped to Retailers	Difference	Cume Diff. From 1/7/94
3/4	195.9	475.5	-279.6	
3/11	98.7	482.5	-383.8	
3/18	383.3	533.6	-150.3	
3/25	226.3	516.3	-290.0	
4/1	145.1	558.9	-413.8	
4/8	949.1	533.0	416.1	
4/15	1,076.6	529.6	547.0	
4/22	1,087.1	544.5	542.6	
4/29	726.7	560.8	165.9	
5/6	674.6	555.9	118.7	
5/13	614.2	565.8	48.4	1,713.0
5/20	540.9	N/A	N/A	
5/27	606.6	N/A	N/A	

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All volumes exclude ten Sam's Clubs in Michigan purchasing directly from PM.

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

ALMOST THE ENTIRE MARLBORO 5FOR4 ALLOCATION (1.6 BILLION UNITS) HAS BEEN SHIPPED.

MARLBORO 5 FOR 4 SHIPMENTS

SHIPPING DATE	PRE-BOOKED VOLUME (MILLIONS) DAY	PRE-BOOKED VOLUME (MILLIONS) WEEK	ACTUAL VOLUME (MILLIONS) WEEK	CUME DIFF VS. PRE-BOOKED ORDERS
4/14/94	11.1			
4/15/94	34.0	45.1	49.3	
4/18/94	193.4			
4/19/94	0.3			
4/20/94	12.3			
4/21/94				
4/22/94	7.2	213.2	201.8	
4/25/94	54.5			
4/26/94	5.0			
4/27/94	6.8			
4/28/94	3.5			
4/29/94	88.7	158.5	126.8	
5/2/94	444.8			
5/3/94	94.0			
5/4/94	4.4			
5/5/94	1.1	544.3	535.2	
5/9/94	7.9			
5/13/94	5.4	13.3	74.0	
5/16/94	47.2			
5/17/94	7.2	54.4	278.5	
5/23/94	0.3	0.3	51.1	
5/31-6/1/94			212.9	
CUME		1029.1	1529.6	500.5

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Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

PM-USA WEEKLY PERFORMANCE

	3/4	3/11	3/25	4/1	4/8	4/15	4/22	4/29	5/6	5/13	5/20	5/27	2Q OB WEEKLY TARGET	2Q UPDATED WEEKLY TARGET
MARLBORO	**2,289**	**2,236**	**2,196**	**2,102**	**2,787**	**2,917**	**3,113**	**2,814**	**3,170**	**2,702**	**2,799**	**3,327**	**2,359**	**2,517**
B&H	239	237	197	179	264	259	265	239	223	228	221	289	226	239
MERIT	201	198	192	181	247	253	254	234	222	225	219	287	215	219
V.SLIMS	213	203	191	183	251	256	252	229	223	223	215	291	211	220
PARLIAMENT	63	62	56	52	63	64	66	62	62	63	62	81	63	60
OTHER PREMIUM	19	18	16	16	21	19	19	18	22	20	18	23	20	19
CANADIAN	0	0	0	0	0	0	0	0	0	0	0	0	3	0
TOTAL PREMIUM	3,024	2,954	2,848	2,713	3,634	3,769	3,968	3,597	3,923	3,462	3,535	4,298	3,097	3,274
CAMBRIDGE	179	219	153	133	175	173	176	172	166	183	163	193	170	162
ALPINE	33	38	29	29	37	37	37	34	32	32	33	42	40	35
BUCKS	3	3	3	3	3	4	3	3	3	3	3	3	3	3
FVB	161	152	155	155	193	191	183	164	168	149	159	210	175	167
BASIC	**416**	**413**	**541**	**435**	**472**	**471**	**448**	**407**	**395**	**388**	**378**	**485**	**475**	**447**
BRISTOL	20	19	16	15	19	22	20	17	18	19	18	20	20	15
PLAYERS 25	4	4	4	4	4	4	4	4	3	4	3	5	3	3
TOTAL DISCOUNT	816	847	900	774	904	901	872	800	786	777	757	959	886	832
TOTAL PM-USA	3,840	3,801	3,749	3,487	4,538	4,670	4,840	4,397	4,708	4,239	4,292	5,257	3,983	4,106

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Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

PM-USA WEEKLY PERFORMANCE

	3/4	3/11	3/25	4/1	4/8	4/15	4/22	4/29	5/6	5/13	5/20	5/27	2Q OB WEEKLY TARGET	2Q UPDATED WEEKLY TARGET
MARLBORO	**24.77**	**24.31**	**25.93**	**25.59**	**27.40**	**28.62**	**31.22**	**29.69**	**31.71**	**28.82**	**29.86**	**29.45**	**25.19**	**26.84**
B&H	2.58	2.58	2.32	2.18	2.60	2.54	2.65	2.52	2.23	2.44	2.36	2.56	2.42	2.56
MERIT	2.17	2.15	2.27	2.21	2.43	2.48	2.54	2.47	2.22	2.40	2.34	2.54	2.30	2.34
V.SLIMS	2.30	2.21	2.26	2.22	2.47	2.51	2.53	2.42	2.23	2.38	2.29	2.58	2.25	2.35
PARLIAMENT	0.68	0.67	0.66	0.64	0.62	0.63	0.66	0.66	0.62	0.68	0.66	0.71	0.67	0.64
OTHER PREMIUM	0.20	0.20	0.20	0.20	0.21	0.21	0.20	0.19	0.22	0.21	0.20	0.19	0.21	0.20
CANADIAN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00
TOTAL PREMIUM	32.70	32.12	33.64	33.04	35.73	36.99	39.80	37.95	39.23	36.93	37.71	38.03	33.07	34.93
CAMBRIDGE	1.93	2.37	1.80	1.61	1.71	1.69	1.77	1.82	1.66	1.96	1.74	1.71	1.82	1.73
ALPINE	0.36	0.41	0.34	0.36	0.37	0.37	0.37	0.36	0.32	0.34	0.35	0.37	0.43	0.37
BUCKS	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
FVB	1.75	1.66	1.83	1.89	1.89	1.87	1.83	1.73	1.68	1.58	1.69	1.86	1.87	1.78
BASIC	**4.51**	**4.49**	**6.39**	**5.30**	**4.64**	**4.62**	**4.51**	**4.29**	**3.95**	**4.14**	**4.03**	**4.30**	**5.07**	**4.77**
BRISTOL	0.21	0.20	0.19	0.18	0.19	0.21	0.20	0.18	0.18	0.20	0.19	0.18	0.21	0.16
PLAYERS 25	0.05	0.04	0.05	0.06	0.05	0.05	0.04	0.04	0.04	0.04	0.04	0.04	0.03	0.03
TOTAL DISCOUNT	8.84	9.20	10.63	9.43	8.88	8.84	8.75	8.45	7.86	8.29	8.07	8.49	9.46	8.87
TOTAL PM-USA	41.54	41.32	44.27	42.47	44.61	45.83	48.55	46.40	47.09	45.22	45.78	46.52	42.53	43.80

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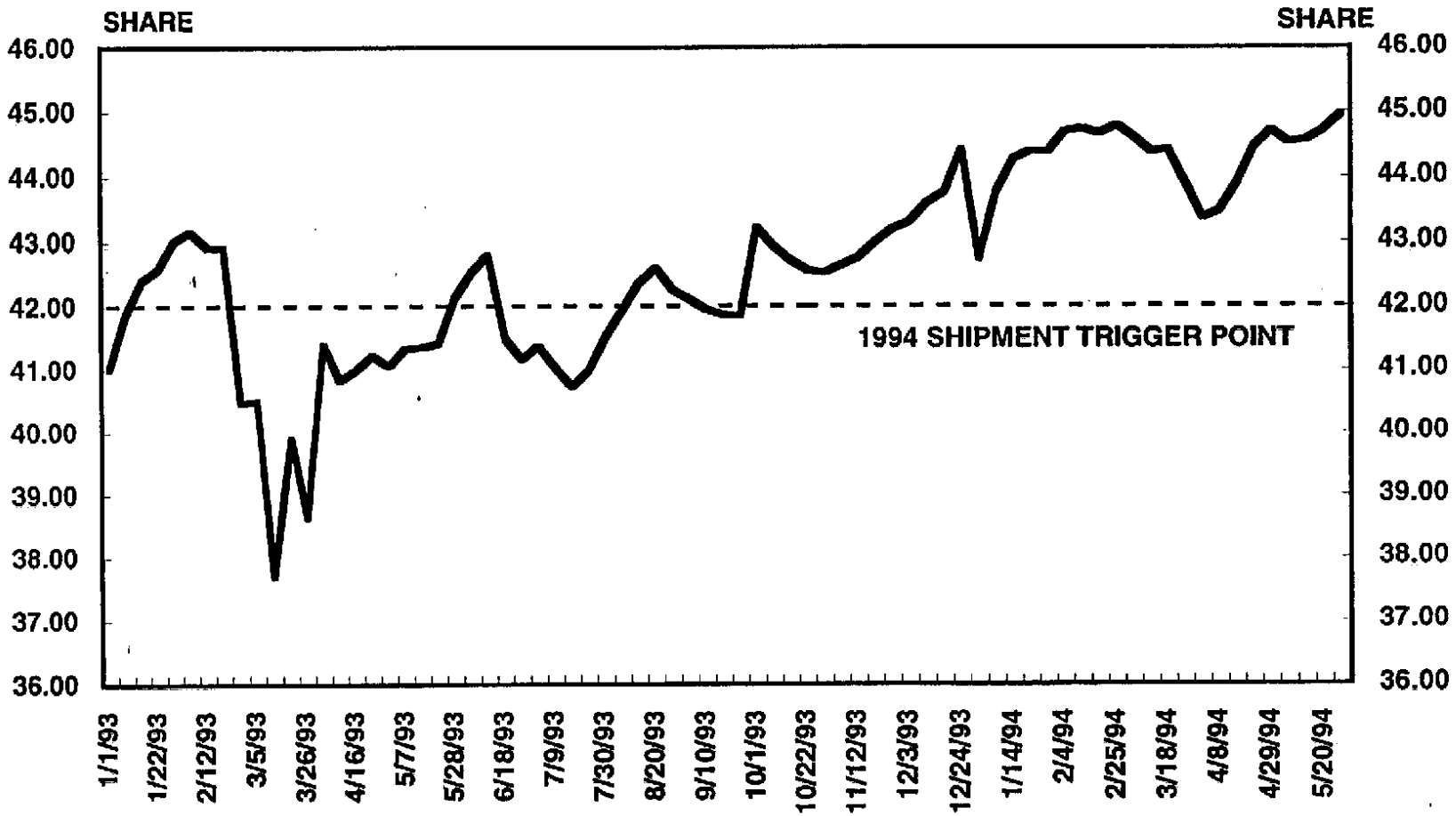
Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

PM SHARE OF MARKET
13 WEEK MOVING AVERAGE



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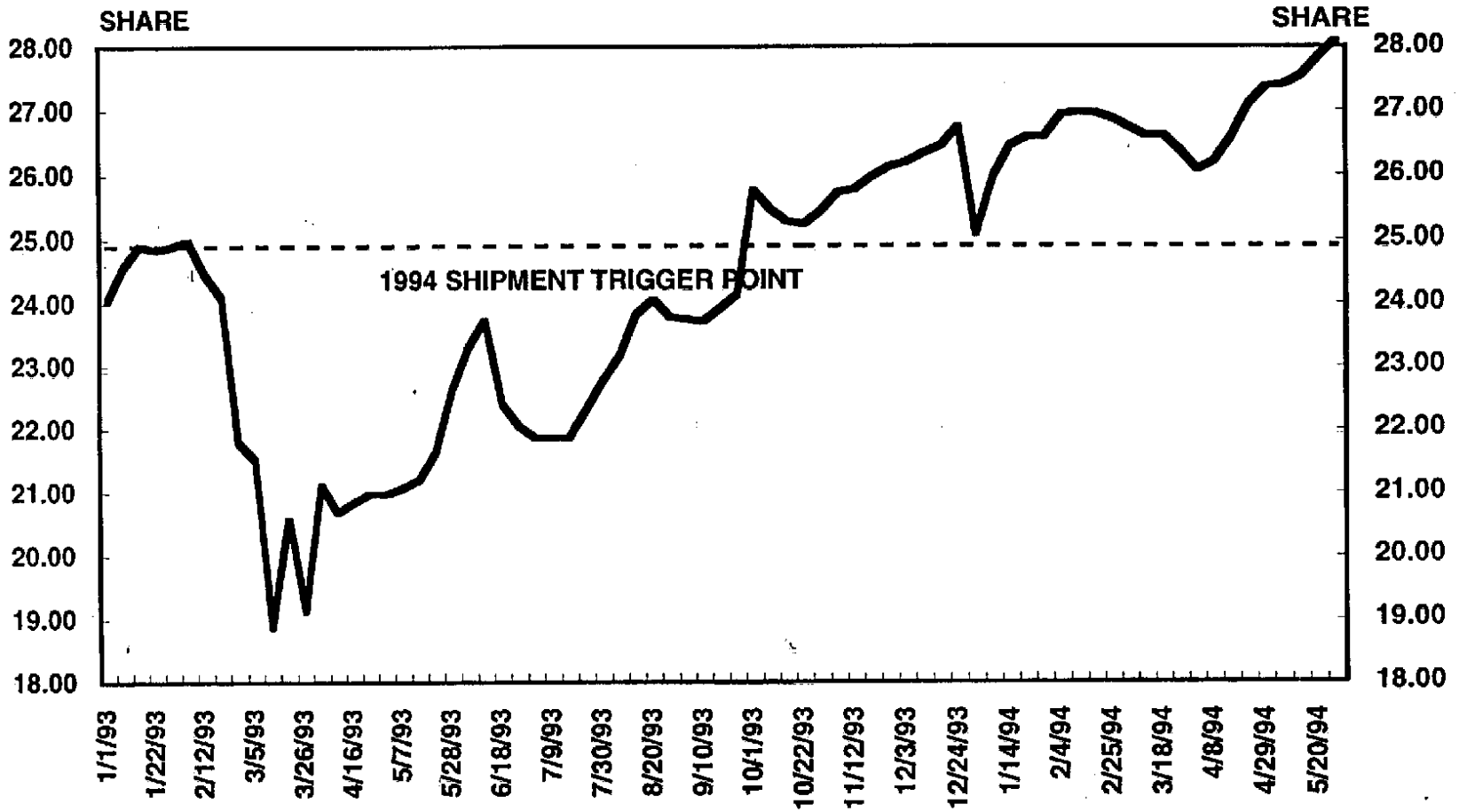
SOURCE: MSA SHIPMENTS

13WM BRANDS Chart 1

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

MARLBORO SHARE OF MARKET
13 WEEK MOVING AVERAGE



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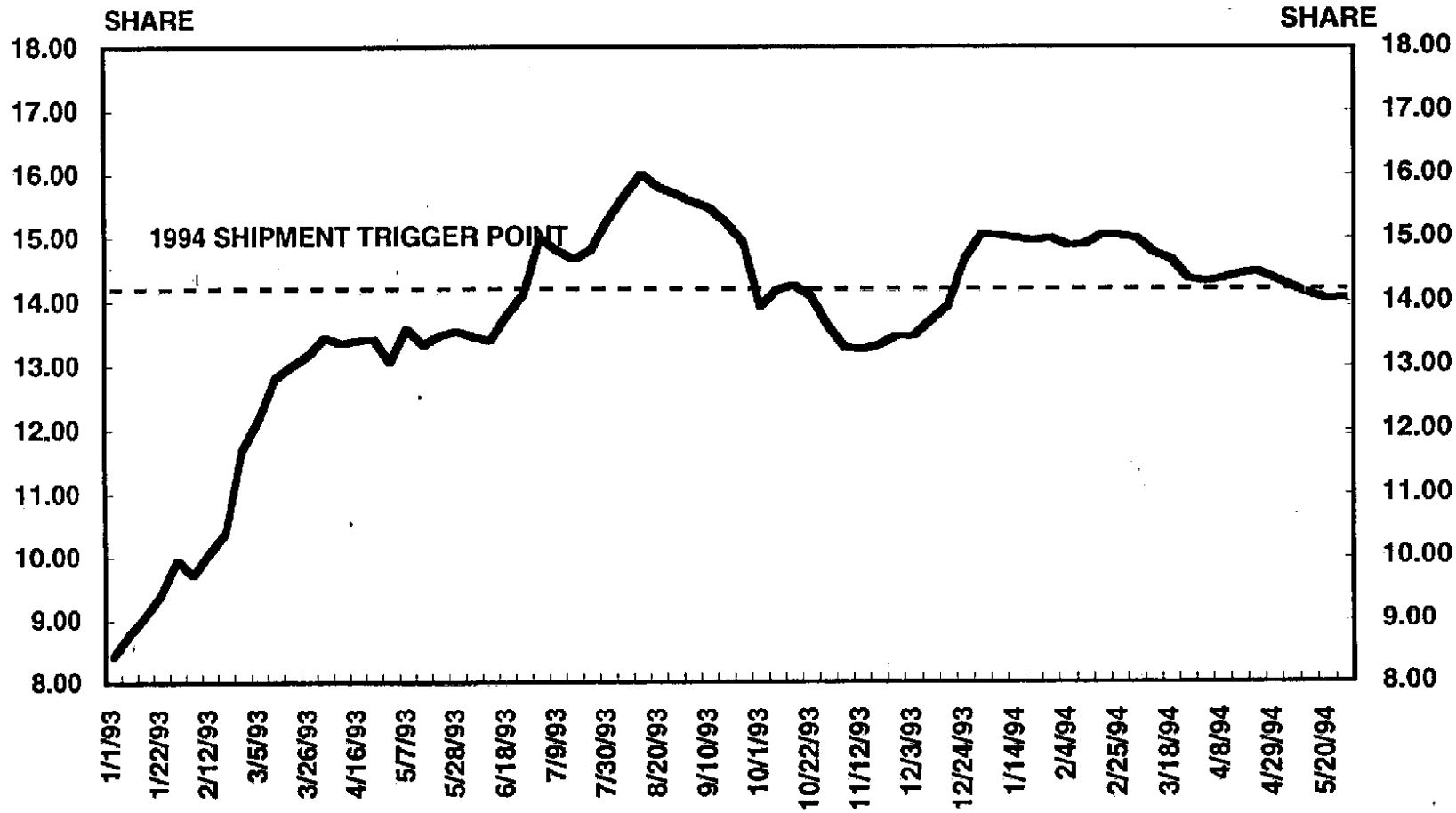
SOURCE: MSA SHIPMENTS

13WM BRANDS Chart 2

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

BASIC SHARE OF DISCOUNT
13 WEEK MOVING AVERAGE



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SOURCE: MSA SHIPMENTS

13WM BRANDS Chart 4

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

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Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

PRICING

5/21

- Premium and Discount prices remained relatively flat in both C-stores and Supermarkets.
  - Regionally, changes in $ gaps have been stable throughout May.
- In C-stores, Premium prices remained stable for the third consecutive week while Lowest Discount prices decreased -1¢. The resulting national price gap increased to 59¢ or 44.0%.
- In Supermarkets, Premium prices increased +3¢ while Lowest Discount prices increased +1¢. The resulting national price gap increased to $4.71 or 40.1%.
- ≤99¢ incidence increased to 15% this week, comparable to YTD levels (14%).
- Basic's >10¢ price disadvantage with the Lowest Discount brand exists in 70% of C-stores, up 20 points YTD.
  - Basic's average price disadvantage is 31¢, with a 25¢ - 40¢ disadvantage in a majority of these stores.

2023655902

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

Discount prices decreased in more stores than they increased in, causing the average Lowest Discount price to decrease -1¢.

	% of C-stores		
	Unchanged	Increased	Decreased
Marlboro	95%	3%	2%
Basic	93%	2%	5%
Doral	87%	8%	5%
GPC	84%	7%	9%
RJR P/L	92%	2%	6%
Lowest Discount	83%	7%	10%
Marlboro Gap *	81%	11%	8%
Basic Gap **	82%	9%	9%

* Marlboro vs. Lowest Discount brand in same store.

** Basic vs. Lowest Discount brand in same store.

SOURCE: NIELSEN PRICING AUDIT

2023655903

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

Premium and Discount prices remained relatively unchanged in both C-stores and Supermarkets.

C-STORE PACKS

	4/30	5/7	5/14	5/21	Change Prior Week
Marlboro (net)	$1.91	$1.93	$1.93	$1.93	$0.00
Lowest Discount	1.33	1.35	1.35	1.34	($0.01)
$ Gap	0.58	0.58	0.58	0.59	$0.01
% Gap	43.6%	43.0%	43.0%	44.0%	1.1%

SUPERMARKET CARTONS

Marlboro (net)	$16.31	$16.42	$16.44	$16.47	$0.03
Lowest Discount	11.58	11.70	11.75	11.76	$0.01
$ Gap	4.73	4.72	4.69	4.71	$0.02
% Gap	40.8%	40.3%	39.9%	40.1%	0.0%

SOURCE: NIELSEN PRICING AUDIT

2023655904

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

Regionally, changes in $ gaps have been relatively unchanged throughout May as weekly fluctuations offset one another.

	5/21				
	Marlboro	Lowest Discount	$ GAP	% GAP	Chg. vs. prior wk
NATIONAL	1.93	1.34	$0.59	44.0%	$0.01
R1	2.10	1.52	$0.58	38.2%	$0.03
R2	1.77	1.22	$0.55	45.1%	$0.00
R3	1.91	1.30	$0.61	46.9%	$0.01
R4	1.88	1.34	$0.54	40.3%	$0.01
R5	2.07	1.38	$0.69	50.0%	$0.01

SOURCE: NIELSEN PRICING AUDIT

2023655905

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

Nationally, ≤99¢ incidence increased +1.0 point to 15%, remaining in the 14%-16% range for 10 weeks.

	5/21	Change vs. 1 WAGO	Change vs. 4 WAGO	Weighted Avg. State Tax
NATIONAL	15.3%	1.0	1.1	$0.29
R1	2.9%	-0.1	1.4	$0.43
R2	21.7%	1.7	1.3	$0.18
R3	18.7%	2.0	0.7	$0.31
R4	20.5%	-0.2	0.2	$0.26
R5	8.3%	2.1	2.2	$0.33

SOURCE: NIELSEN PRICING AUDIT

2023655906

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

Across common stores, Basic's price gap narrowed with GPC and remained stable with the Lowest Discount brand for four consecutive weeks.

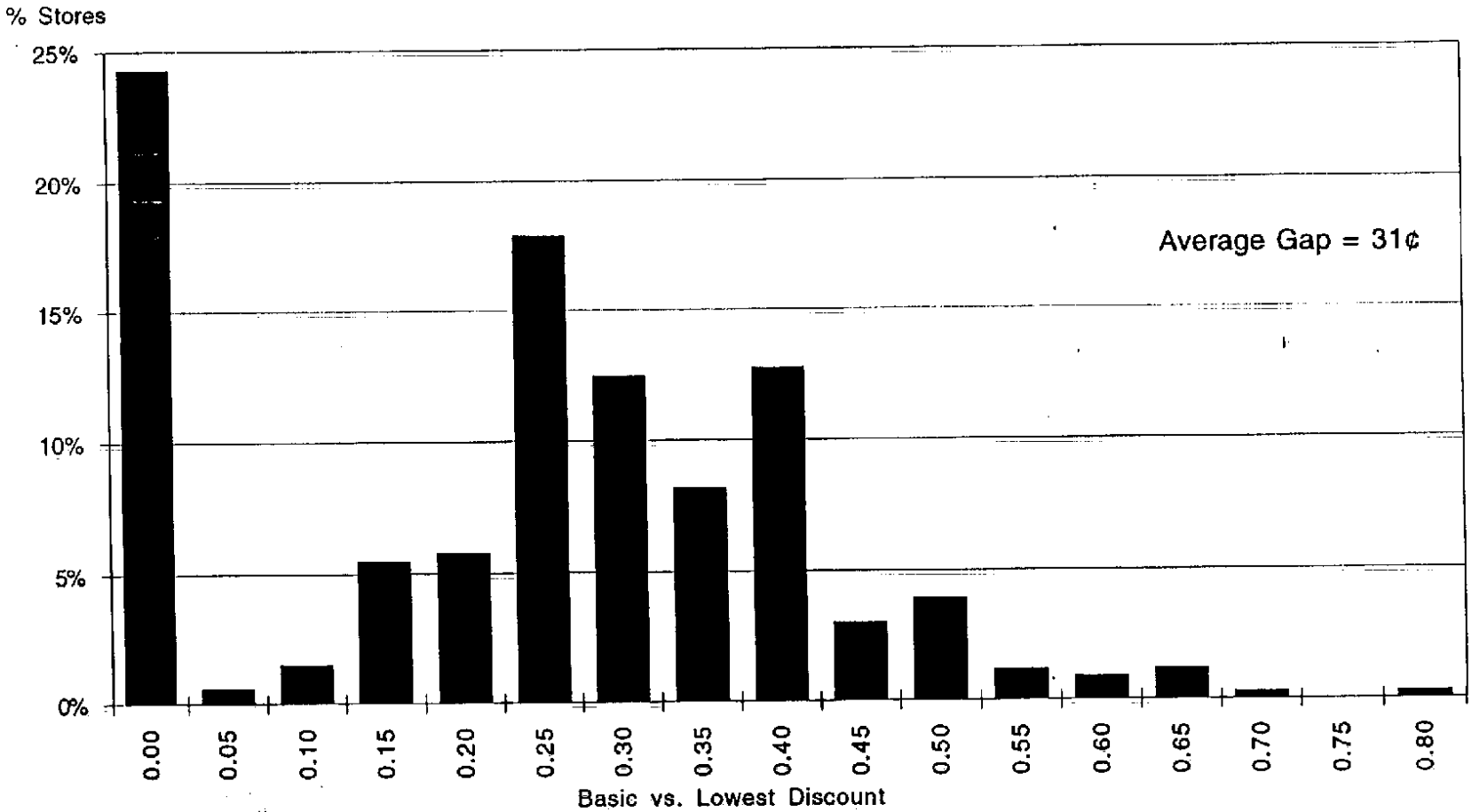
	4/30	5/7	5/14	5/21	Change vs. Prior Week
Basic	$1.54	$1.56	$1.56	$1.55	($0.01)
Same Store Gaps					
GPC	0.14	0.14	0.14	0.13	-0.01
Monarch	0.06	0.05	0.06	0.06	0.00
Lowest Discount	0.22	0.22	0.22	0.22	0.00

SOURCE: NIELSEN PRICING AUDIT

2023655907

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

Basic's pack price is higher than the Lowest Discount brand in 76% of stores while the brands are at parity in 24% of stores



2023655908

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

Basic's price has remained at a minimum disadvantage of >10¢ with the Lowest Discount brand in 70% of stores for 4 consecutive weeks.

Basic vs. Lowest Discount in C-stores

	4/30	5/7	5/14	5/21
# SAME STORES	340	333	343	335
BASIC > LOWEST DISC. BY 10¢*				
# STORES	237	235	239	238
% STORES	70%	71%	70%	71%
PRICE DISADVANTAGE *				
AVG. $	$0.30	$0.30	$0.30	$0.31
MAXIMUM	$0.86	$0.70	$0.66	$0.80
MINIMUM	$0.14	$0.12	$0.14	$0.11

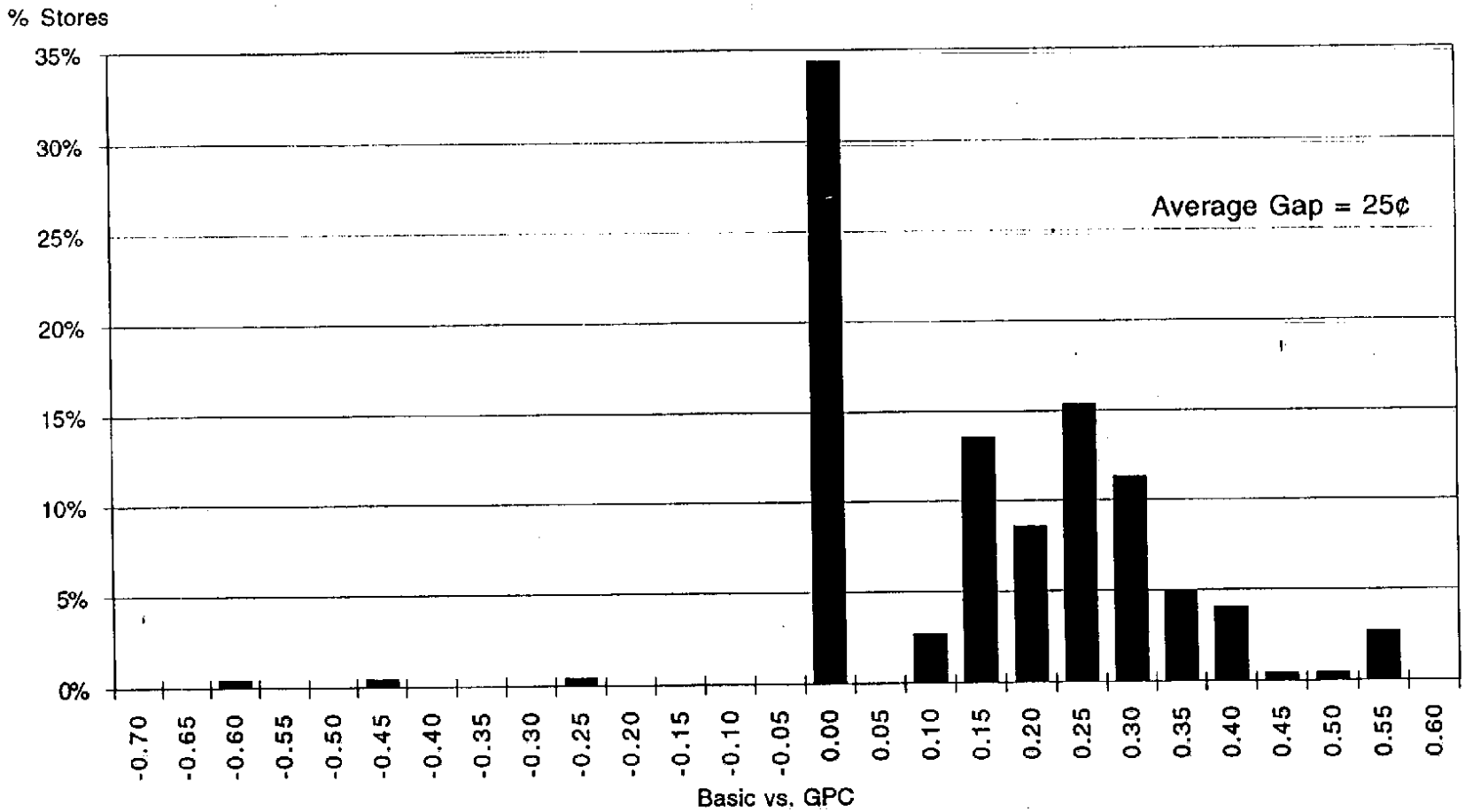
* All comparisons are based on stores with both brands in distribution.
** Price disadvantage ONLY in stores where Basic's price >Lowest Discount by more than 10¢.

SOURCE: NIELSEN PRICING PANEL

2023655909

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

Basic's pack price is higher than GPC in 65% of stores, at parity with GPC in 34% of stores and lower than GPC in 1% of stores.



2023655910

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

Basic's >10¢ price disadvantage with GPC has remained relatively stable in 53% of stores since early April.

Basic vs. GPC in C-stores

	4/30	5/7	5/14	5/21
# SAME STORES	233	221	235	234
BASIC > GPC by 10¢*				
# STORES	126	119	130	125
% STORES	54%	54%	55%	53%
PRICE DISADVANTAGE *				
AVG. $	$0.24	$0.25	$0.25	$0.25
MAXIMUM	$0.60	$0.60	$0.53	$0.50
MINIMUM	$0.14	$0.14	$0.14	$0.14

* All comparisons are based on stores with both brands in distribution.
** Price disadvantage ONLY in stores where Basic's price > GPC by more than10¢.

SOURCE: NIELSEN PRICING PANEL

2023655911

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

2023655912

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

Philip Morris USA Weekly Integrated Nielsen

PM'S ALL OUTLET COMBINED PERFORMANCE
WEEKLY INTEGRATED NIELSEN - W/E 5/14/94

- PM's weekly share advanced +0.2 points to 46.5% (a record level), as Marlboro gains were partially offset by Basic and PM Private Label losses. The company's four week performance was up +0.6 points, driven by Marlboro's continued growth.
    - Marlboro's +0.4 point weekly gain to 28.5% was influenced by the B4G1F promotion (0.4) in its second week at retail. On a four week basis, the franchise's performance was up +0.6 points.
        - Marlboro's YTD inventory position has not paralleled its market share gains; recent improvement is associated with B4G1F availability.

          Lower inventory to sales ratios may eventually raise OOS levels, restraining potential share growth.
    - PM's Other Premium Brands' weekly share was stable. PM's Discount brands' performance was down -0.3 points, with Basic and PM Private Label losses partially offset modest gain by Cambridge.
- RJR's weekly share was stable (28.6%), while on a four-week basis declining -0.7 points. A majority of these losses occurred in its Discount franchise.
- The Discount category's share declined -0.6 points versus week-ago to 31.8%, its lowest level since September 1992. Branded Discounts accounted for the majority of the loss (Basic, GPC and Monarch).
    - The category's four-week performance was down -0.3 points, with Private Label losses (specifically RJR) partially offset by Branded Discount gains.

2023655913

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

BENCHMARKS - TOTAL US

WEEKLY INTEGRATED NIELSEN - ALL OUTLET COMBINED

	Target	Benchmarks*	4 w/e 14-May	Current vs. Benchmark
Philip Morris	44.3	44.5 (lower limit)	46.4	1.9 Favorable
Marlboro	25.7	26.3 (lower limit)	28.2	1.9 Favorable
OPB	8.8	8.9 (lower limit)	9.1	0.2 Favorable
Virginia Slims	2.7	2.7 (lower limit)	2.9	0.2 Favorable
Benson & Hedges	2.5	2.5 (lower limit)	2.6	0.1 Favorable
Merit	2.8	2.8 (lower limit)	2.9	0.1 Favorable
Parliament	0.6	0.6 (lower limit)	0.6	0.0 Favorable
Basic Shr. of Disc. (SOC)	15.1	14.5 (lower limit)	14.7	0.2 Favorable
Discount Category	34.5	+2.0 Pts. (upper limit)**	32.1	2.4 Favorable
Private Label	8.5	9.0 (upper limit)	7.5	1.5 Favorable

* Revised to reflect 1994 First Revised Forecast.

** Annualized category growth (upper limit) is +2.0 points. First 6 months of 1994 total Discount category cannot exceed 34.5%.

2023655914

Nlsn INT weekly bench

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

NIELSEN INTEGRATED DATA
(All Outlets Combined)

COMPANY	PM	RJR	B&W	American	Lorillard	Liggett
Base March 1993	41.63	33.58	10.70	5.92	5.73	2.31
May 14, 1994 (4WM)	46.37	28.70	10.26	6.25	6.30	1.97
	4.74	**(4.88)**	**(0.44)**	**0.33**	**0.57**	**(0.34)**

CATEGORY	Premium	Discount	Branded Discount	Private Label
Base March 1993	61.96	37.70	28.36	9.35
May 14, 1994 (4WM)	67.76	32.10	24.64	7.46
	5.80	**(5.60)**	**(3.72)**	**(1.89)**

MAJOR BRANDS	Marlboro	PM OPB	Winston	Select	Camel
Base March 1993	22.04	9.06	5.61	0.43	3.82
May 14, 1994 (4WM)	28.19	9.06	5.77	0.85	4.40
	6.15	**0.00**	**0.16**	**0.42**	**0.58**

MAJOR BRANDS	Salem	Vantage	Now	Kool	Newport
Base March 1993	4.22	1.72	0.80	3.27	3.24
May 14, 1994 (4WM)	3.90	1.40	0.64	3.09	3.84
	(0.32)	**(0.32)**	**(0.16)**	**(0.18)**	**0.60**

BRANDED DISCOUNTS	Basic	Cambridge	Alpine	Doral	Misty	Montclair	Monarch	Best Value	GPC
Base March 1993	4.00	2.25	0.52	4.27	0.88	0.93	2.81	3.51	4.48
May 14, 1994 (4WM)	4.72	1.84	0.41	4.40	1.04	1.24	2.03	1.09	4.76
	0.72	**(0.41)**	**(0.11)**	**0.13**	**0.16**	**0.31**	**(0.78)**	**(2.42)**	**0.28**

PRIVATE LABEL	PM	RJR	Liggett	American
Base March 1993	2.96	4.74	1.22	0.43
May 14, 1994 (4WM)	1.80	3.87	1.06	0.73
	(1.16)	**(0.87)**	**(0.16)**	**0.30**

2023655915

NOTE: In the Integrated Nielsen Panel, Premium plus Discount does not equal Total due to the inclusion of miscellaneous promotional volume.

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

NIELSEN INTEGRATED DATA
(All Outlets Combined)

COMPANY	PM	RJR	B&W	American	Lorillard	Liggett
Base July 1993	45.50	31.87	9.81	5.50	5.38	1.82
May 14, 1994 (4WM)	46.37	28.70	10.26	6.25	6.30	1.97
	0.87	**(3.17)**	**0.45**	**0.75**	**0.92**	**0.15**

CATEGORY	Premium	Discount	Branded Discount	Private Label
Base July 1993	64.54	35.31	26.41	8.90
May 14, 1994 (4WM)	67.76	32.10	24.64	7.46
	3.22	**(3.21)**	**(1.77)**	**(1.44)**

MAJOR BRANDS	Marlboro	PM QPB	Winston	Select	Camel
Base July 1993	26.63	8.30	6.10	0.58	3.88
May 14, 1994 (4WM)	28.19	9.06	5.77	0.85	4.40
	1.56	**0.76**	**(0.33)**	**0.27**	**0.52**

MAJOR BRANDS	Salem	Vantage	Now	Kool	Newport
Base July 1993	3.91	1.49	0.68	3.01	3.17
May 14, 1994 (4WM)	3.90	1.40	0.64	3.09	3.84
	(0.01)	**(0.09)**	**(0.04)**	**0.08**	**0.67**

BRANDED DISCOUNTS	Basic	Cambridge	Alpine	Doral	Misty	Montclair	Monarch	Best Value	GPC
Base July 1993	4.95	1.94	0.44	4.66	0.83	0.83	2.43	2.27	4.13
May 14, 1994 (4WM)	4.72	1.84	0.41	4.40	1.04	1.24	2.03	1.09	4.76
	(0.23)	**(0.10)**	**(0.03)**	**(0.26)**	**0.21**	**0.41**	**(0.40)**	**(1.18)**	**0.63**

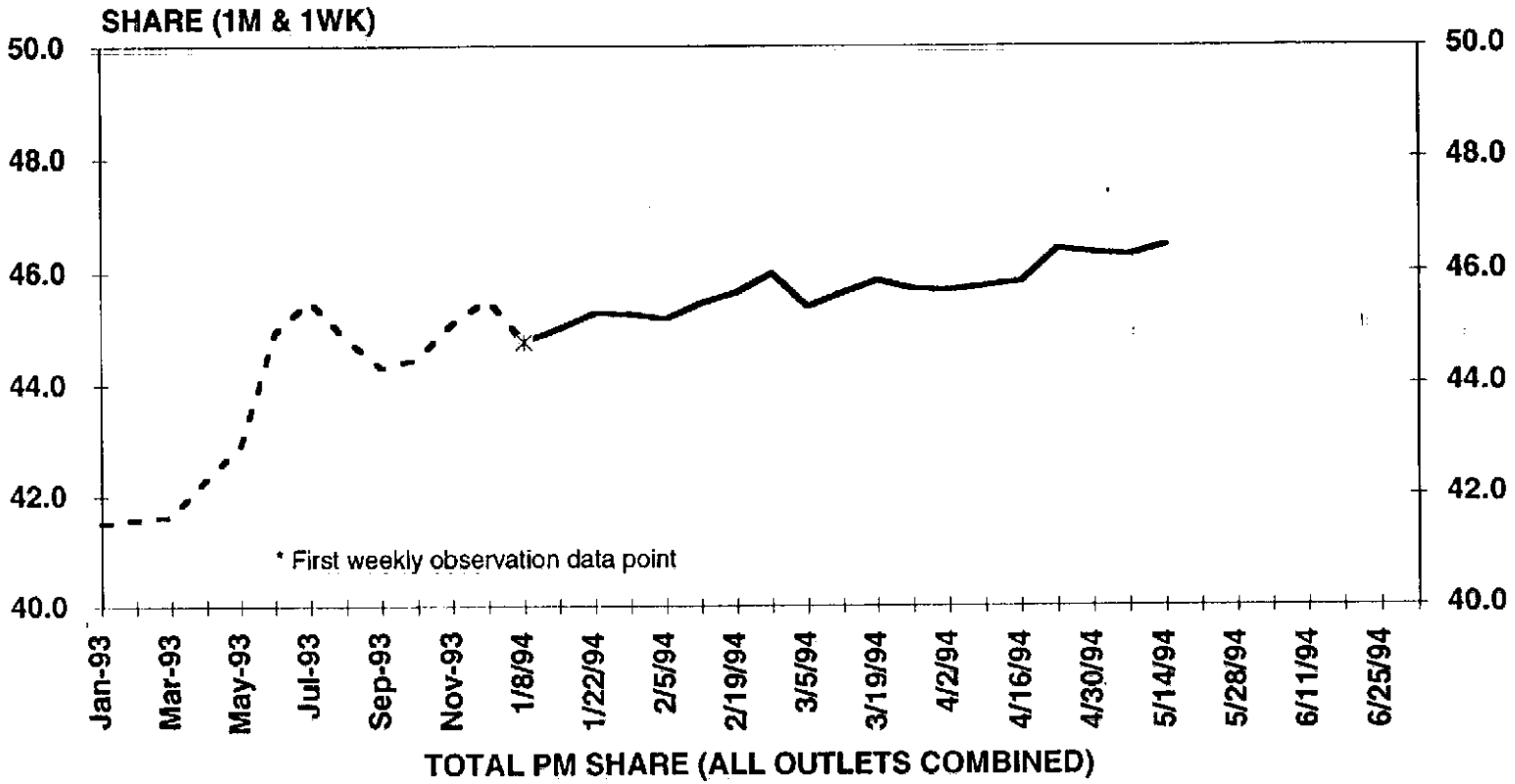
PRIVATE LABEL	PM	RJR	Liggett	American
Base July 1993	2.75	4.63	0.97	0.55
May 14, 1994 (4WM)	1.80	3.87	1.06	0.73
	(0.95)	**(0.76)**	**0.09**	**0.18**

2023655916

NOTE: In the Integrated Nielsen Panel, Premium plus Discount does not equal Total due to the inclusion of miscellaneous promotional volume.

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

PM'S WEEKLY SHARE ADVANCED +0.2 POINTS VERSUS WEEK-AGO TO 46.5% (A RECORD LEVEL) WHILE THE COMPANY'S FOUR WEEK PERFORMANCE WAS UP +0.6 POINTS PRIMARILY DUE TO MARLBORO'S CONTINUED GROWTH.



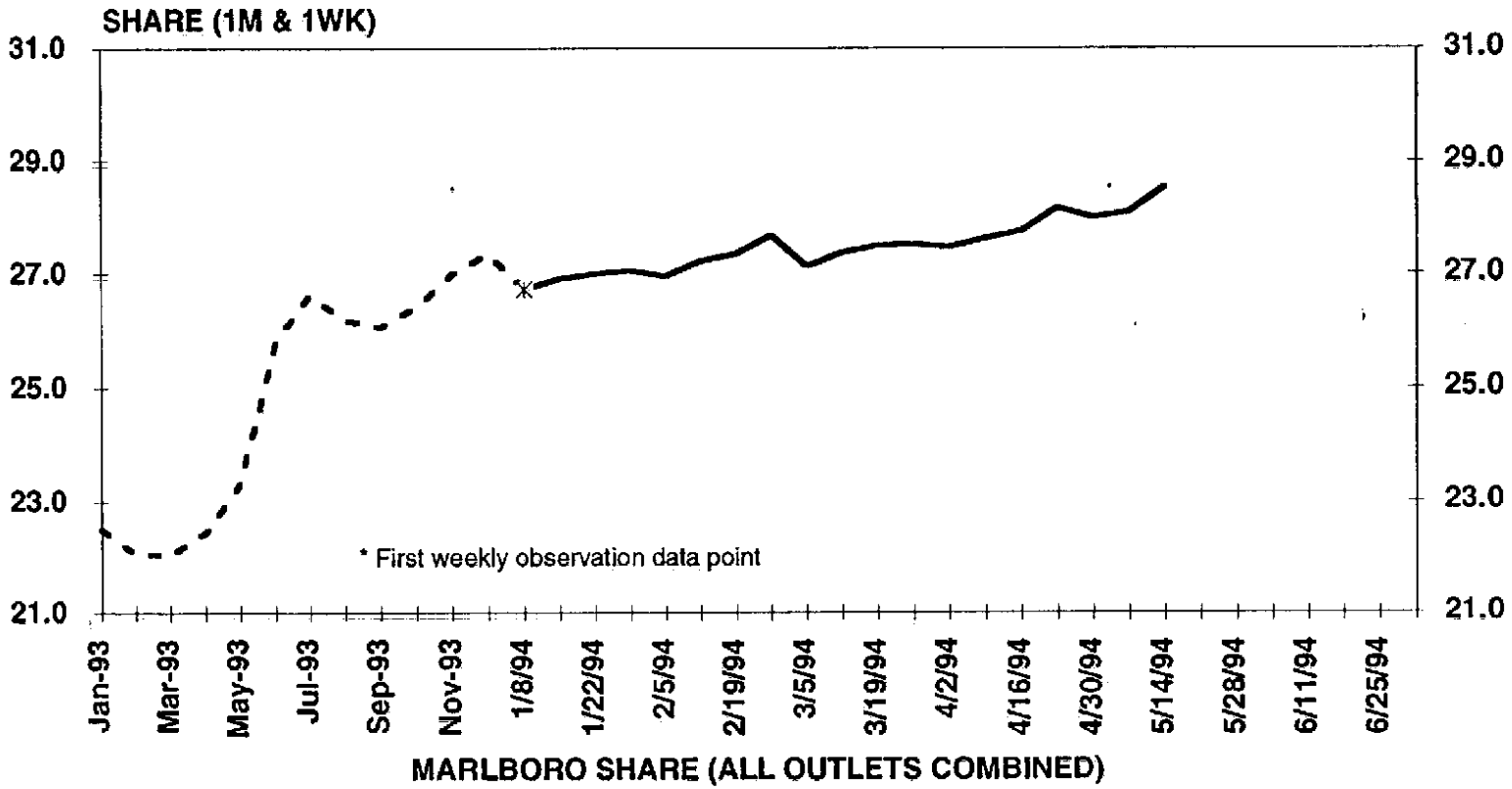
2023655917

Source: Integrated Nielsen Panel

Nielsen Int weekly Chart 1

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

MARLBORO'S SHARE WAS 28.5% (ITS HIGHEST LEVEL TO DATE), UP +0.4 POINTS VERSUS WEEK-AGO WHILE ON A FOUR WEEK BASIS, THE FRANCHISE GAINED +0.6 POINTS VERSUS FOUR WEEKS-AGO.



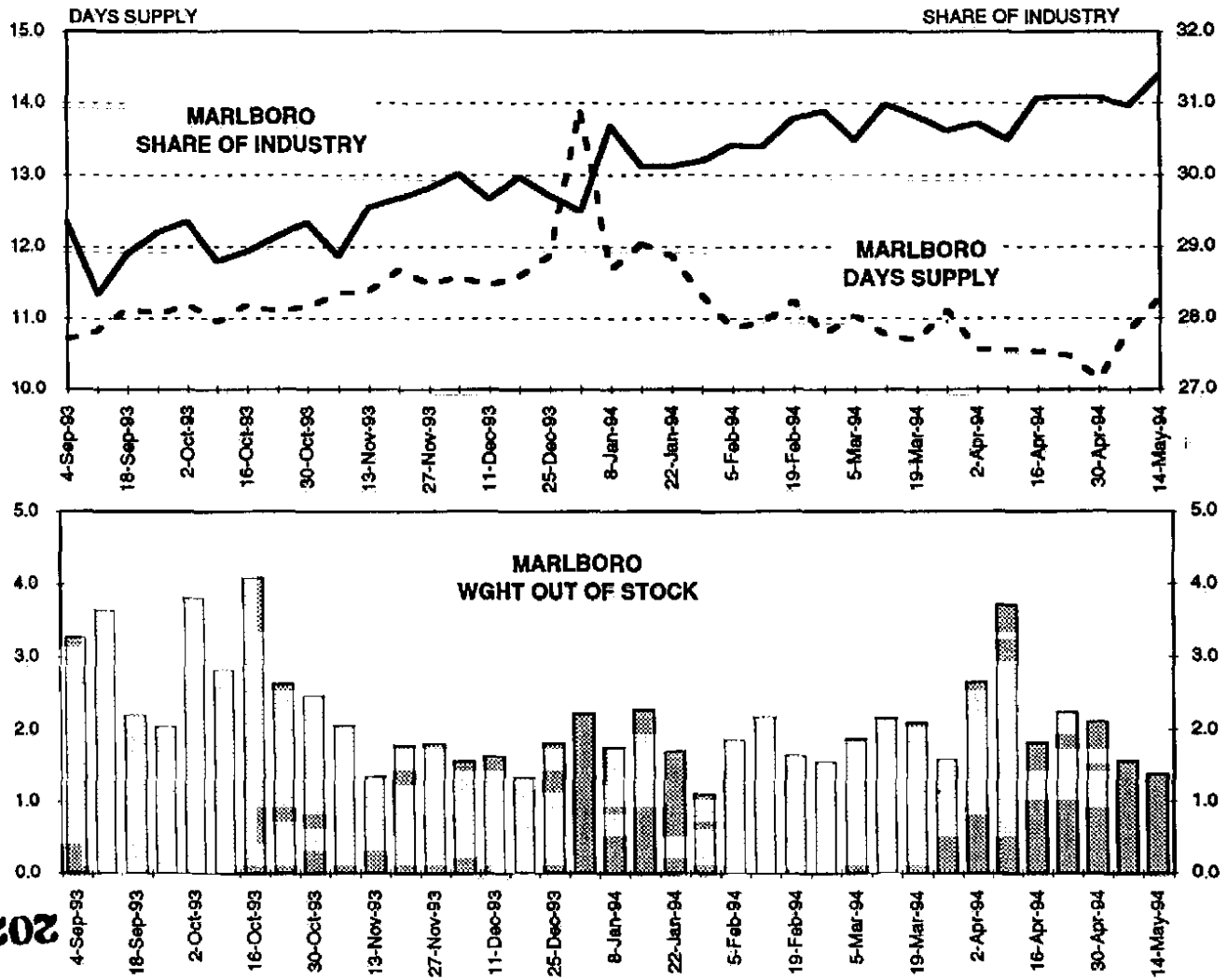
2023655918

Source: Integrated Nielsen Panel

Nielsen Int weekly Chart 4

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

Marlboro's YTD inventory position has not paralleled its market share gains and has not yet translated to significantly higher out-of-stocks. Recent inventory improvements are associated with MCS B4G1F placements.

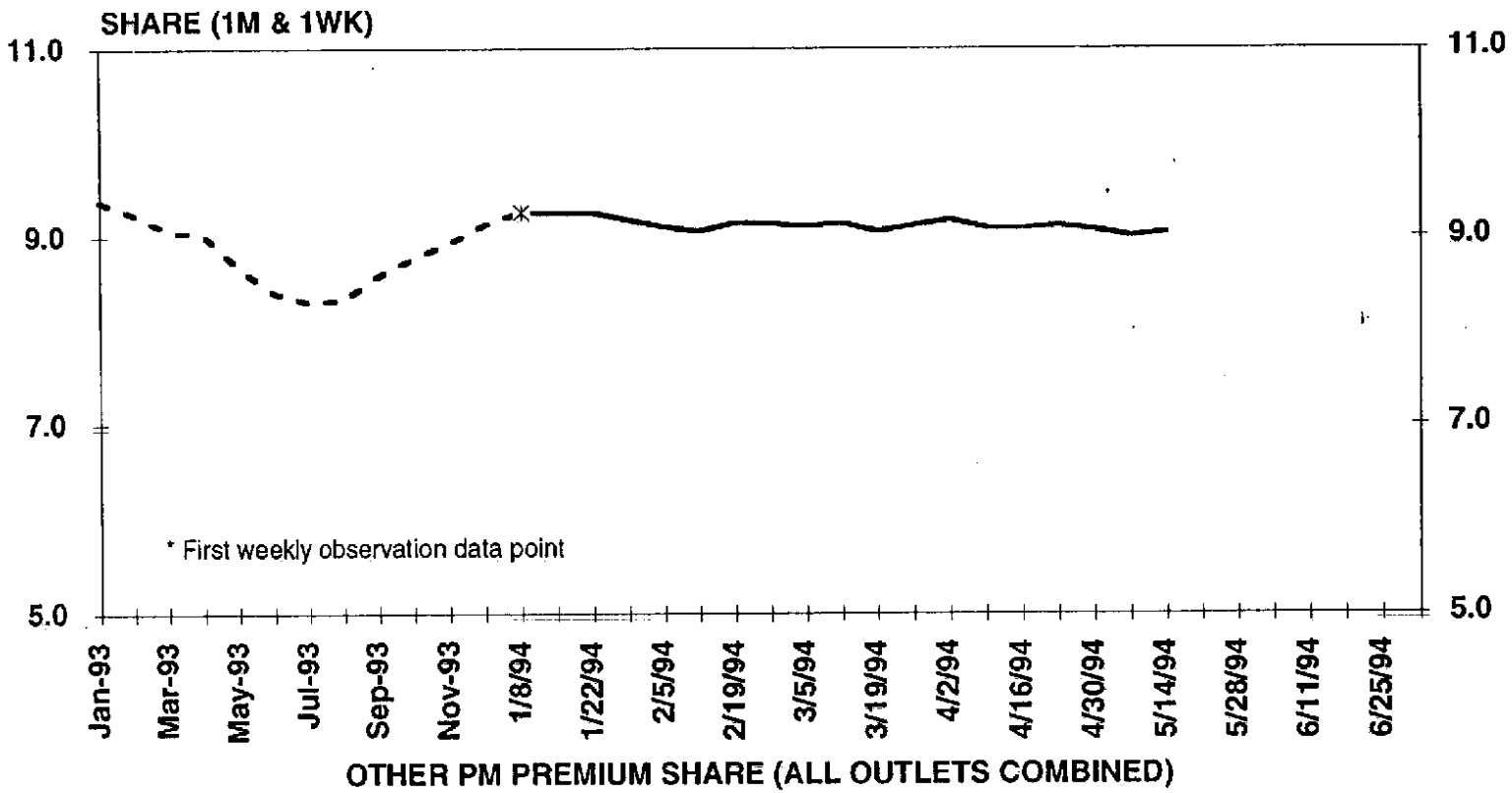


Source: Nielsen Weekly C-store Audits (400 Stores)

2023655919

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

PM'S OTHER PREMIUM BRANDS' SHARE WAS UNCHANGED ON A WEEK-TO-WEEK BASIS AT 9.0% AND HAS REMAINED IN THE 9.0-9.3% RANGE SINCE DECEMBER 1993.

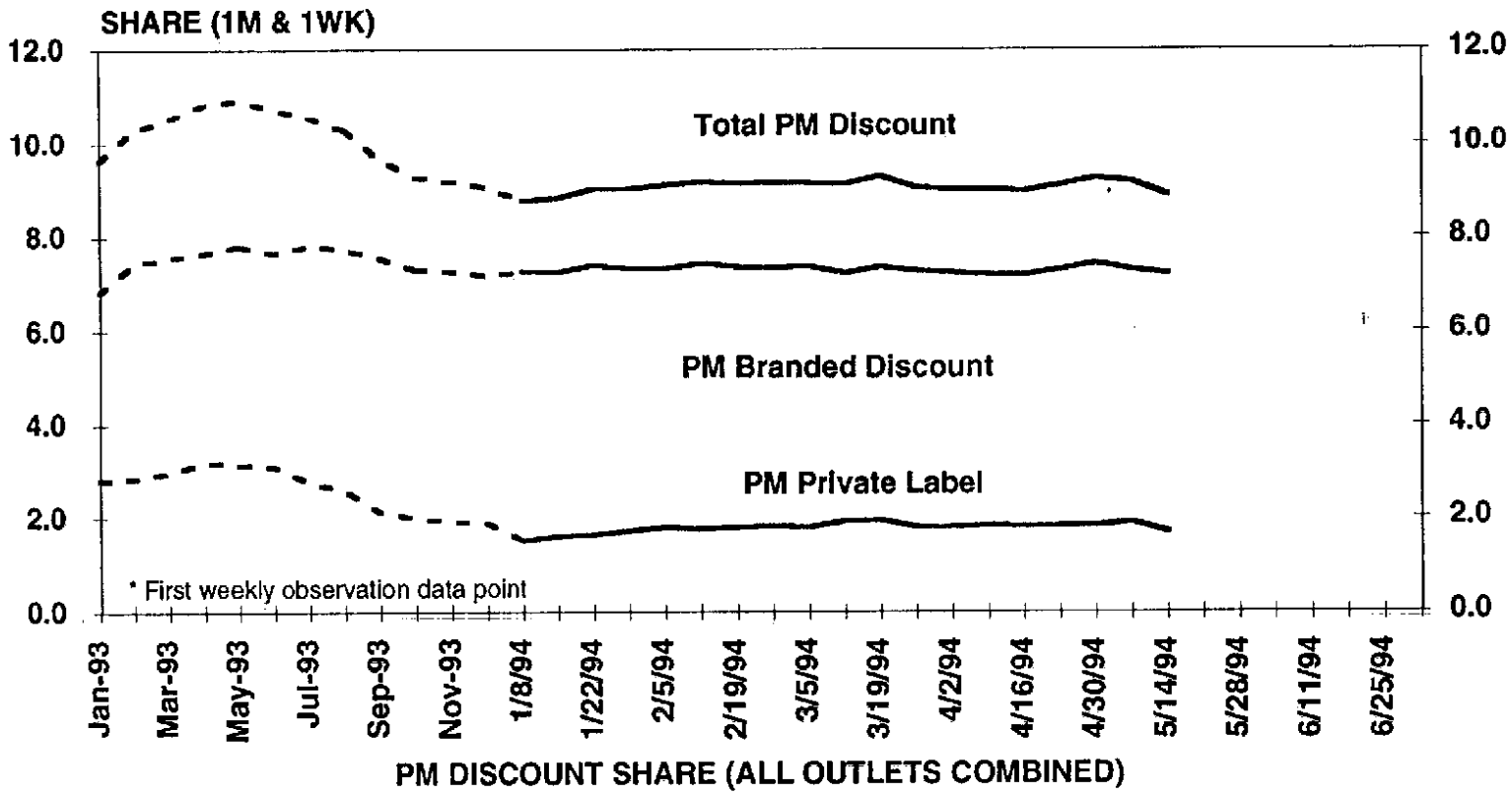


2023655920

Source: Integrated Nielsen Panel

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

PM'S DISCOUNT SHARE DECLINED -0.3 POINTS AS LOSSES BY BASIC AND PM PRIVATE LABEL FRANCHISES WERE PARTIALLY OFFSET BY MODEST CAMBRIDGE GAINS.



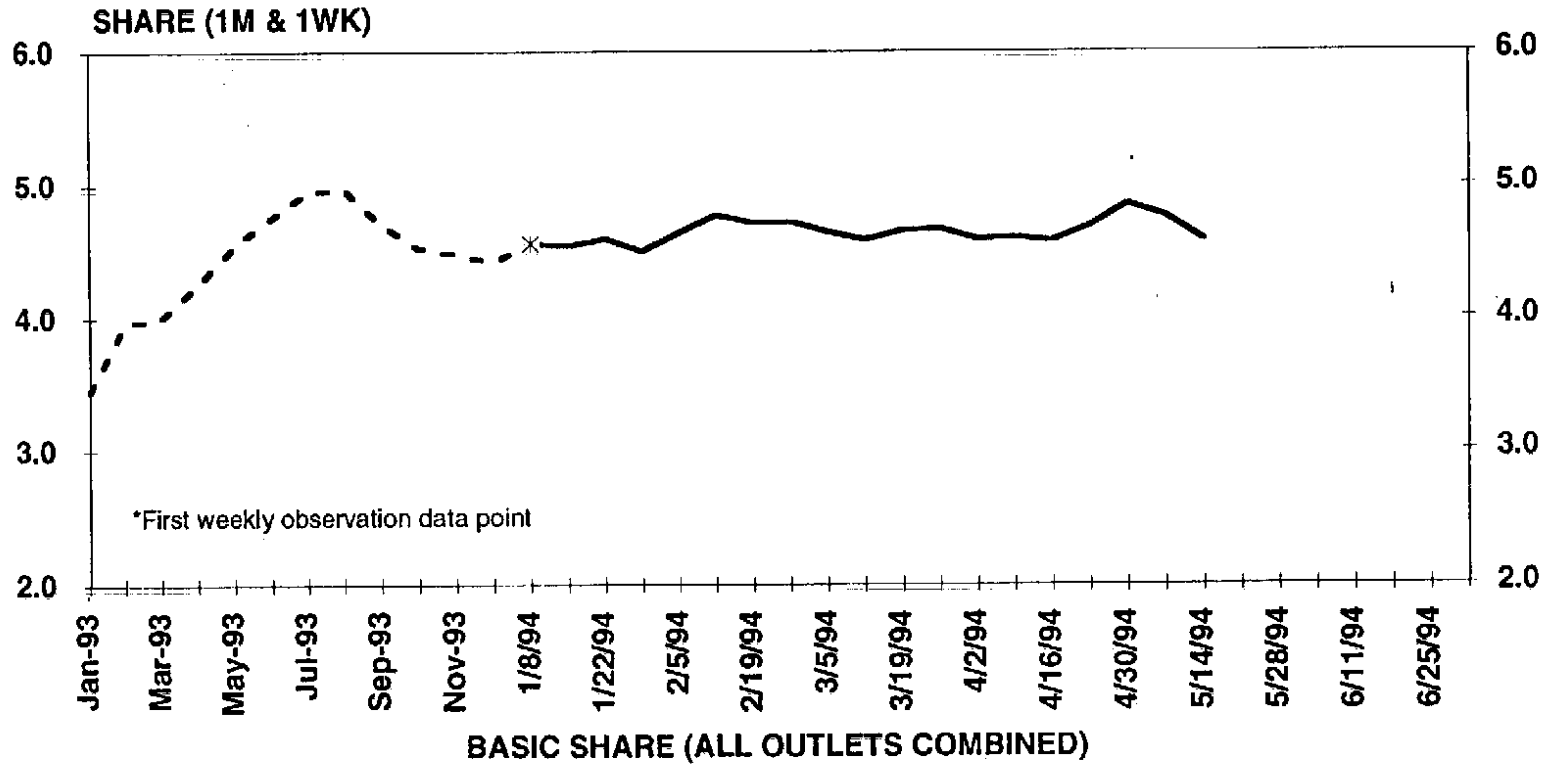
2023655921

Source: Integrated Nielsen Panel

Nielsen Int weekly Chart 3

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

BASIC'S SHARE DECLINED FOR THE SECOND CONSECUTIVE WEEK, DOWN -0.2 POINTS VERSUS WEEK-AGO TO 4.6%. HOWEVER ON A FOUR WEEK BASIS, THE BRAND'S PERFORMANCE WAS UP +0.1 POINTS VERSUS FOUR WEEKS-AGO.

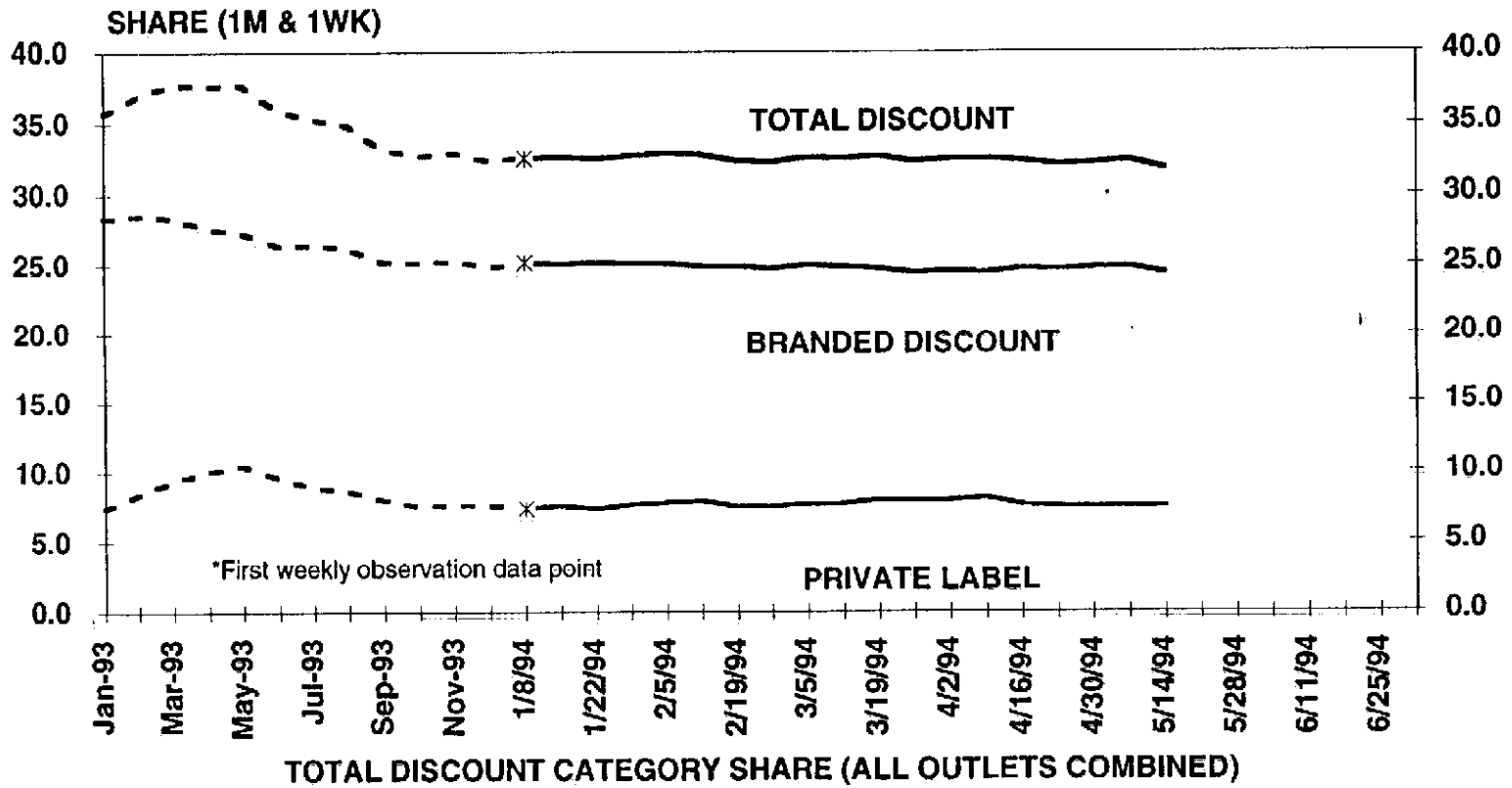


2023655922

Source: Integrated Nielsen Panel

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

THE DISCOUNT CATEGORY'S SHARE WAS DOWN -0.6 POINTS VERSUS WEEK-AGO TO 31.8% (ITS LOWEST LEVEL SINCE SEPTEMBER 1992), WITH THE BRANDED DISCOUNT SEGMENT ACCOUNTING FOR THE MAJORITY OF THE LOSS.



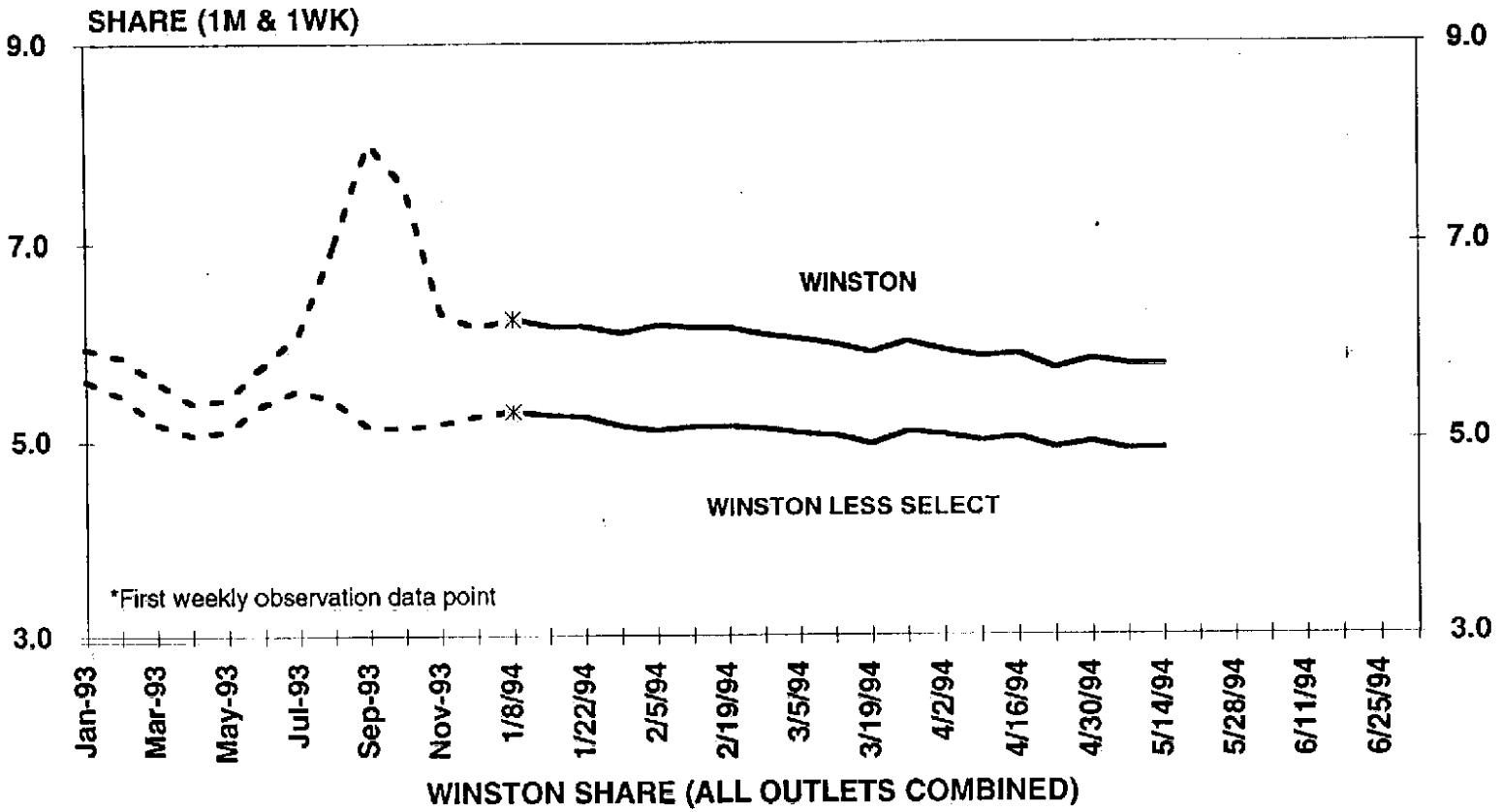
2023655923

Source: Integrated Nielsen Panel

Nielsen Int weekly Chart 6

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

WINSTON'S SHARE WAS UNCHANGED WEEK-TO-WEEK AT 5.8%, WHILE ON A FOUR WEEK BASIS, THE FRANCHISE'S PERFORMANCE WAS DOWN -0.1 POINTS VERSUS FOUR WEEKS-AGO.



2023655924

Source: Integrated Nielsen Panel

Nielsen Int weekly Chart 10

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

2023655925

NIELSEN
C-STORE

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

PM'S PERFORMANCE IN C-STORES
WEEKLY C-STORE AUDITS W/E 5/14/94

- Philip Morris' weekly (48.4%) and latest four week shares (48.3%) advanced to record highs.
  - Marlboro B4G1F's availability and MCS POS at retail coincide with this momentum.
  - Marlboro gained +0.5 points versus week-ago to 31.5%, and on a four-week basis advanced +0.6 points.
    - Marlboro B4G1F's share was up +0.4 points versus week-ago to 0.55%.
    - Marlboro free product incidence in c-stores increased +10 points for the week to 18%, while the percentage of stores with a Marlboro mail-in offer gained +7 points to 35% of stores.
  - PM's Other Premium Brands (7.8%) were stable on a week and four-week basis.
  - PM's Discount brands' share declined -0.4 points versus week-ago. Basic free product declines and PM Private Label losses were partially offset by Cambridge's gain.
- RJR's weekly share (27.7%) was flat (-0.1 points), as the company's Discount brand losses more than offset modest Premium brand gains. On a four-week basis, RJR's performance was down -0.9 points, with Doral (-0.3) and its Private Label franchises (-0.5) declining.
- The Discount category's weekly share (32.6%) was depressed (-0.8 points) following last week's "first week of the month gain". Branded Discounts accounted for the majority of the loss (primarily Monarch, GPC and Basic).
  - The category's four-week performance was down -0.2 points, as Private Label losses (primarily RJR) were partially offset by Branded Discount gains.

2023655926

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

BENCHMARKS - TOTAL US

NIELSEN WEEKLY C-STORE AUDITS (800 STORES)

	Benchmarks	4 Weeks Ending 14-May	Current vs. Benchmark
Philip Morris	45.2 (lower limit)	48.3	3.1 Favorable
Marlboro	28.2 (lower limit)	31.1	2.9 Favorable
OPB	7.7 (lower limit)	7.8	0.1 Favorable
Virginia Slims	2.3 (lower limit)	2.3	0.0 Favorable
Benson & Hedges	2.2 (lower limit)	2.4	0.2 Favorable
Merit	2.6 (lower limit)	2.6	0.0 Favorable
Parliament	0.4 (lower limit)	0.4	0.0 Favorable
Basic - Shr. of Discount	16.3 (lower limit)	15.6	0.7 Unfavorable
Discount Category	+2.0 Pts. (upper limit)*	33.0	1.9 Favorable
Private Label	10.2 (upper limit)	8.9	1.3 Favorable
Lowest Disc. Price **	$1.34 (lower limit)	$1.35	$0.01 Favorable
Absolute Price Gap ***	$0.57 (upper limit)	$0.58	$0.01 Unfavorable

* Annualized category growth (upper limit) is +2.0 points. First 6 months of 1994 total Discount category cannot exceed 34.9%.

** Source: Nielsen Weekly Pricing Audits (linear average)

*** Marlboro versus lowest Discount.

2023655927

C-store bench 800

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

NIELSEN WEEKLY C-STORE DATA
(800 C-Stores)

COMPANY	PM	RJR	B&W	American	Lorillard	Liggett
Base March 1993	43.22	33.88	11.01	4.76	5.74	1.37
May 14, 1994 (4WM)	48.27	27.82	10.75	5.37	6.27	1.48
	5.05	**(6.06)**	**(0.26)**	**0.61**	**0.53**	**0.11**

CATEGORY	Premium	Discount	Branded Discount	Private Label
Base March 1993	60.26	39.73	28.11	11.63
May 14, 1994 (4WM)	67.03	32.97	24.09	8.88
	6.77	**(6.76)**	**(4.02)**	**(2.75)**

MAJOR BRANDS	Marlboro	PM OPB	Winston	Select	Camel
Base March 1993	24.43	7.70	5.16	0.51	4.27
May 14, 1994 (4WM)	31.11	7.83	5.29	0.94	4.95
	6.68	**0.13**	**0.13**	**0.43**	**0.68**

MAJOR BRANDS	Newport	Kool	Salem	Vantage	Now
Base March 1993	3.90	3.39	3.70	1.41	0.46
May 14, 1994 (4WM)	4.47	3.20	3.41	1.15	0.38
	0.57	**(0.19)**	**(0.29)**	**(0.26)**	**(0.08)**

BRANDED DISCOUNTS	Basic	Cambridge	Alpine	Doral	Misty	Montclair	Monarch	Best Value	GPC
Base March 1993	4.89	1.46	0.40	3.36	0.75	0.90	4.08	2.88	4.95
May 14, 1994 (4WM)	5.16	1.32	0.29	3.74	0.87	1.34	2.70	0.64	5.49
	0.27	**(0.14)**	**(0.11)**	**0.38**	**0.12**	**0.44**	**(1.38)**	**(2.24)**	**0.54**

PRIVATE LABEL	PM	RJR	Liggett	American
Base March 1993	3.56	6.97	0.57	0.53
May 14, 1994 (4WM)	2.24	4.72	0.98	0.94
	(1.32)	**(2.25)**	**0.41**	**0.41**

2023655928

Source: Nielsen Integrated Panel.
Note: In the Integrated Nielsen Panel, Premium plus Discount does not equal Total due to the inclusion of miscellaneous promotional volume.

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

NIELSEN WEEKLY C-STORE DATA
(800 C-Stores)

COMPANY	PM	RJR	B&W	American	Lorillard	Liggett
Base July 1993	47.59	31.33	9.95	4.62	5.36	1.09
May 14, 1994 (4WM)	48.27	27.82	10.75	5.37	6.27	1.48
	0.68	**(3.51)**	**0.80**	**0.75**	**0.91**	**0.39**

CATEGORY	Premium	Discount	Branded Discount	Private Label
Base July 1993	64.00	36.00	25.39	10.62
May 14, 1994 (4WM)	67.03	32.97	24.09	8.88
	3.03	**(3.03)**	**(1.30)**	**(1.74)**

MAJOR BRANDS	Marlboro	PM OPB	Winston	Select	Camel
Base July 1993	29.66	7.07	5.89	0.65	4.34
May 14, 1994 (4WM)	31.11	7.83	5.29	0.94	4.95
	1.45	**0.76**	**(0.60)**	**0.29**	**0.61**

MAJOR BRANDS	Newport	Kool	Salem	Vantage	Now
Base July 1993	3.74	3.13	3.33	1.20	0.41
May 14, 1994 (4WM)	4.47	3.20	3.41	1.15	0.38
	0.73	**0.07**	**0.08**	**(0.05)**	**(0.03)**

BRANDED DISCOUNTS	Basic	Cambridge	Alpine	Doral	Misty	Montclair	Monarch	Best Value	GPC
Base July 1993	5.59	1.38	0.34	3.50	0.77	0.84	3.34	1.64	4.44
May 14, 1994 (4WM)	5.16	1.32	0.29	3.74	0.87	1.34	2.70	0.64	5.49
	(0.43)	**(0.06)**	**(0.05)**	**0.24**	**0.10**	**0.50**	**(0.64)**	**(1.00)**	**1.05**

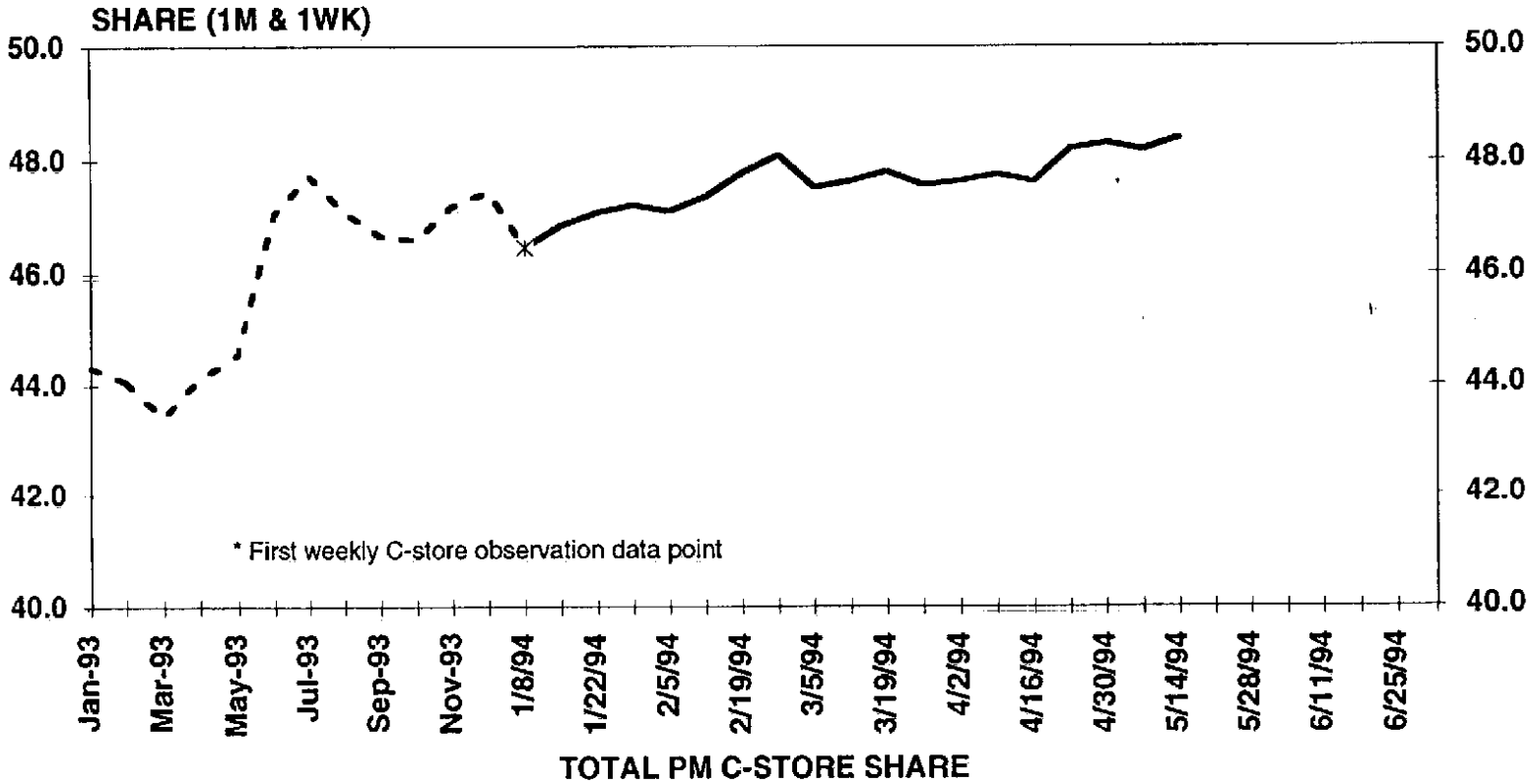
PRIVATE LABEL	PM	RJR	Liggett	American
Base July 1993	3.05	6.32	0.52	0.73
May 14, 1994 (4WM)	2.24	4.72	0.98	0.94
	(0.81)	**(1.60)**	**0.46**	**0.21**

2023655929

Source: Nielsen Integrated Panel.
Note: In the Integrated Nielsen Panel, Premium plus Discount does not equal Total due to the inclusion of miscellaneous promotional volume.

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

PM'S SHARE ADVANCED +0.2 POINTS VERSUS WEEK-AGO TO 48.4%, WHILE ITS FOUR WEEK PERFORMANCE WAS UP +0.6 POINTS TO 48.3% (A RECORD LEVEL).



Note: Monthly share data is based on the same 800 store sample as the weekly share information.

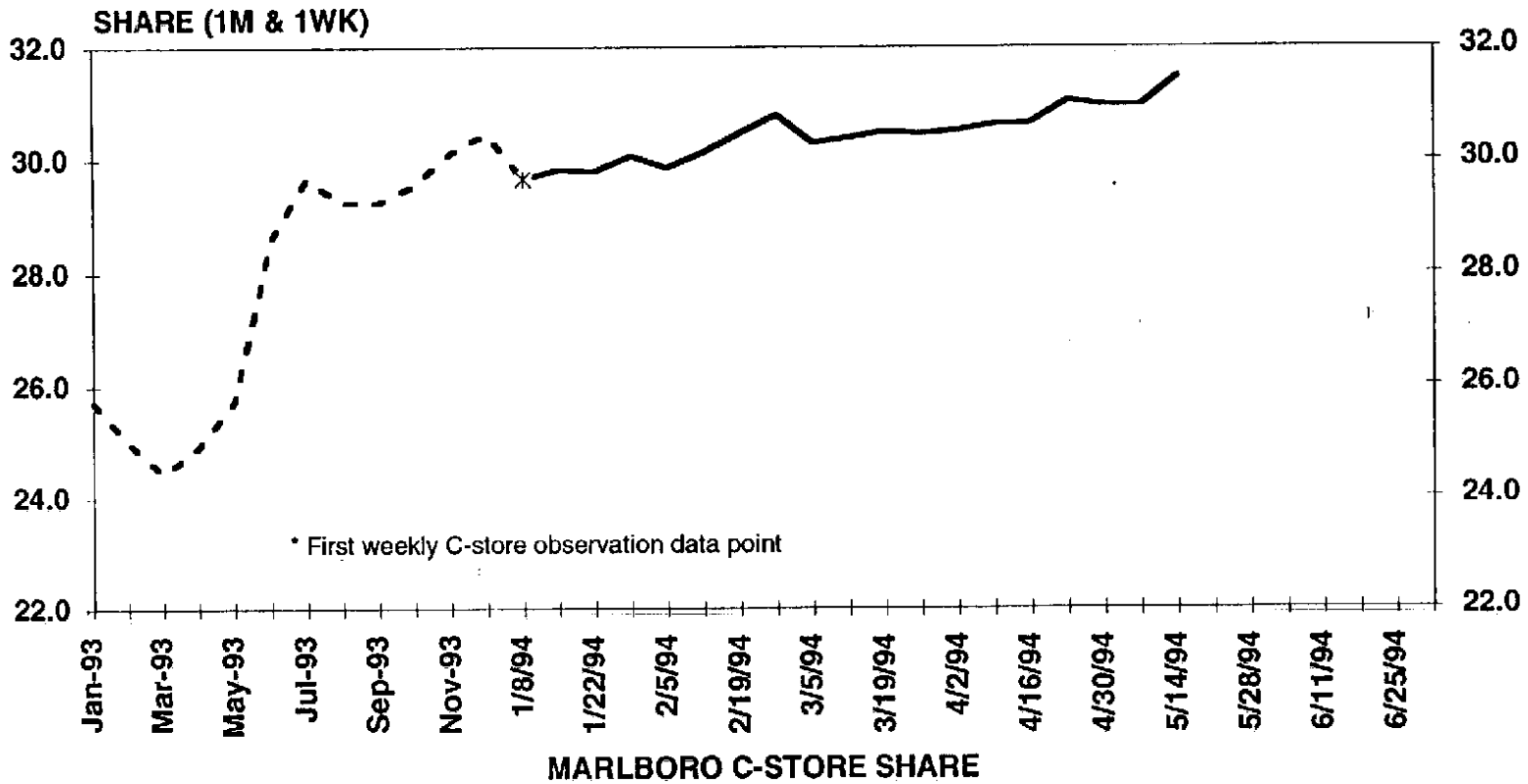
20236559930

Source: Integrated Nielsen Panel

Nielsen Cstore weekly 800 Chart 1

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

MARLBORO'S WEEKLY SHARE GAINED +0.5 POINTS VERSUS WEEK-AGO TO 31.5%, WHILE ITS FOUR WEEK PERFORMANCE WAS UP +0.6 POINTS TO 31.1%.



Note: Monthly share data is based on the same 800 store sample as the weekly share information.

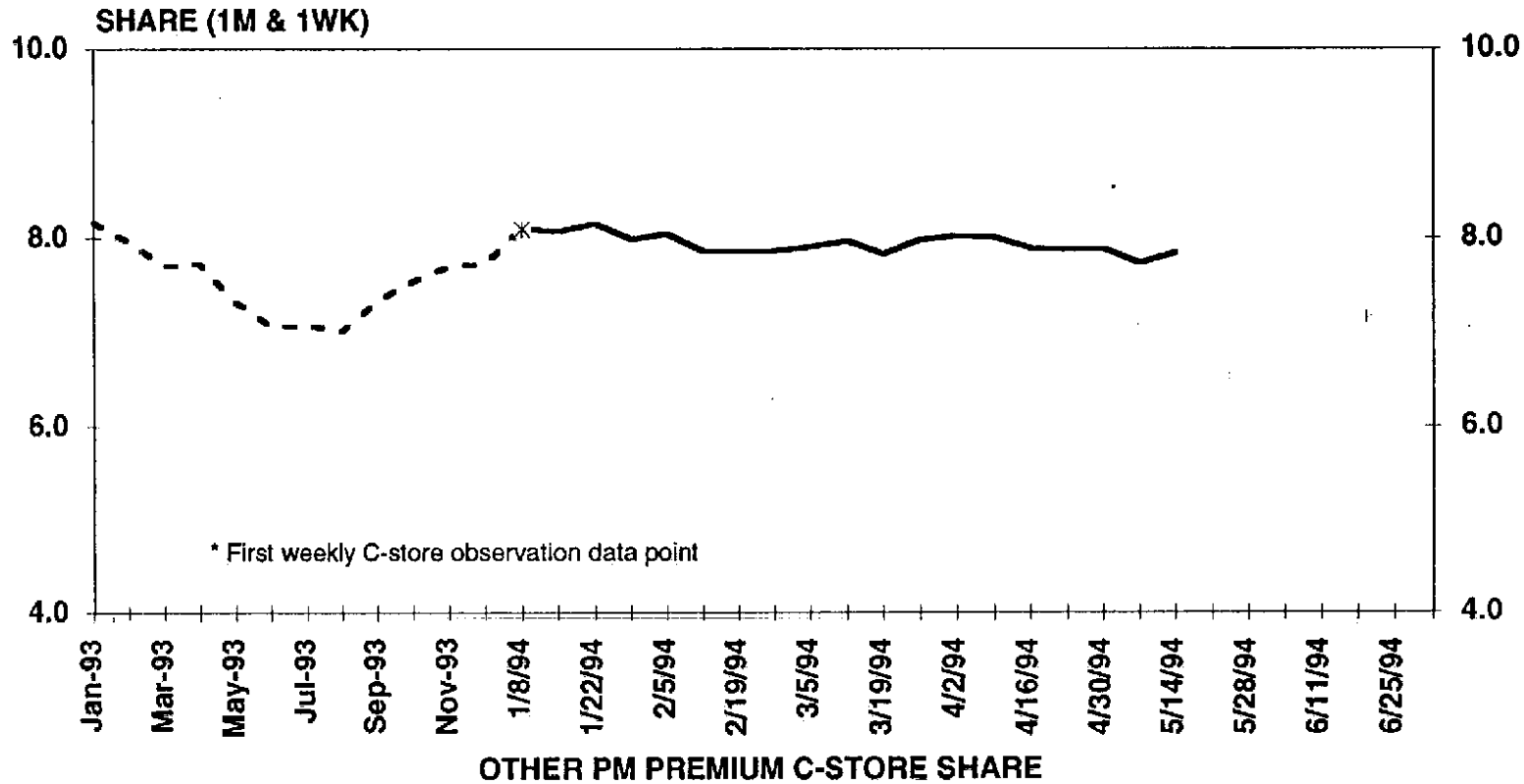
2023655931

Source: Integrated Nielsen Panel

Nielsen Cstore weekly 800 Chart 4

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

PM'S OTHER PREMIUM BRANDS' SHARE WAS UP +0.1 POINTS WEEK-TO-WEEK AND DOWN -0.1 POINTS ON A FOUR WEEK BASIS TO 7.8%.



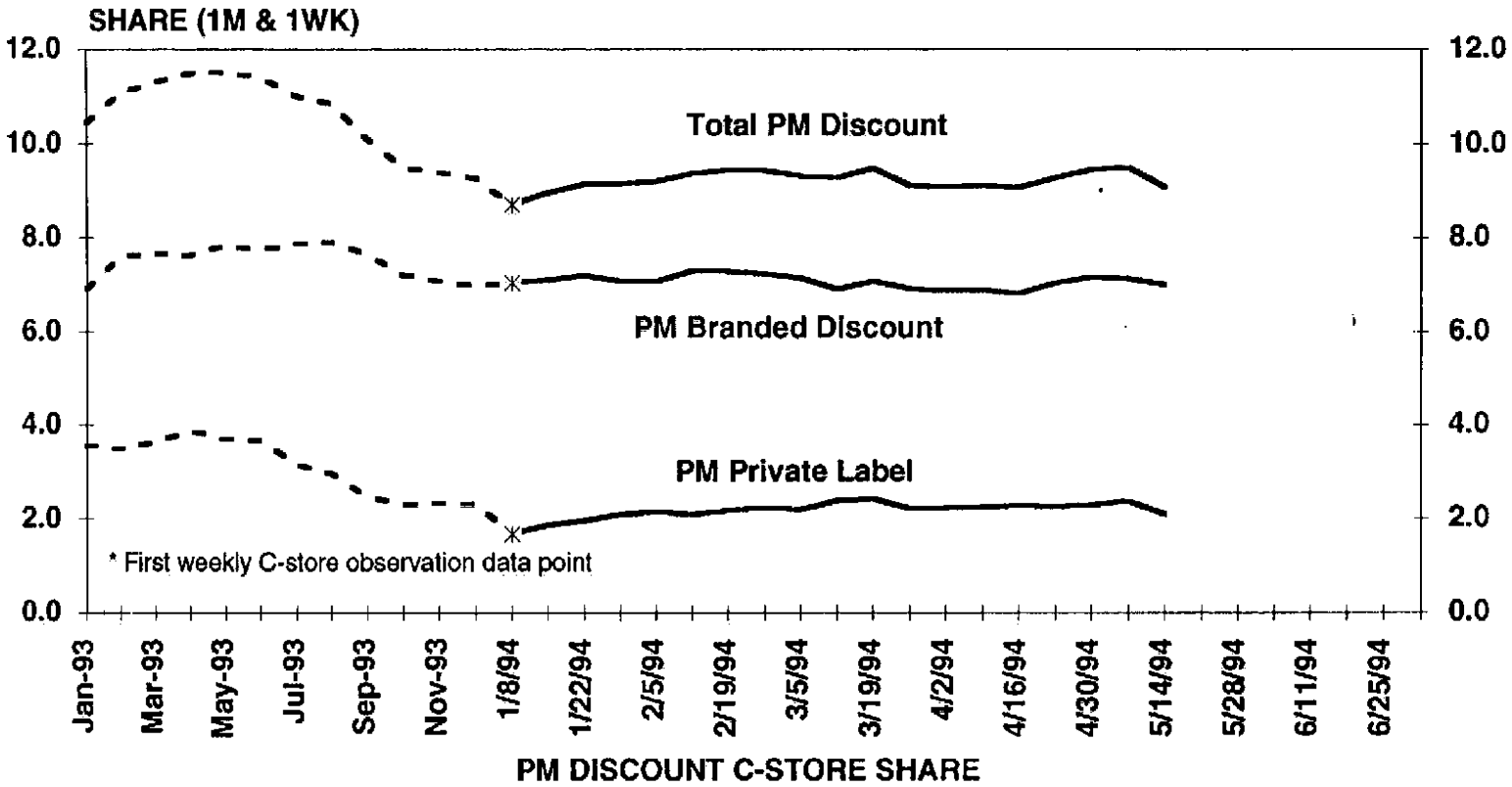
Note: Monthly share data is based on the same 800 store sample as the weekly share information.

2023655932

Source: Integrated Nielsen Panel

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

PM'S DISCOUNT BRANDS' SHARE DECLINED -0.4 POINTS VERSUS WEEK-AGO TO 8.9%, AS BASIC AND PM PRIVATE LABEL LOSSES WERE PARTIALLY OFFSET BY CAMBRIDGE'S GAIN.



PM DISCOUNT C-STORE SHARE

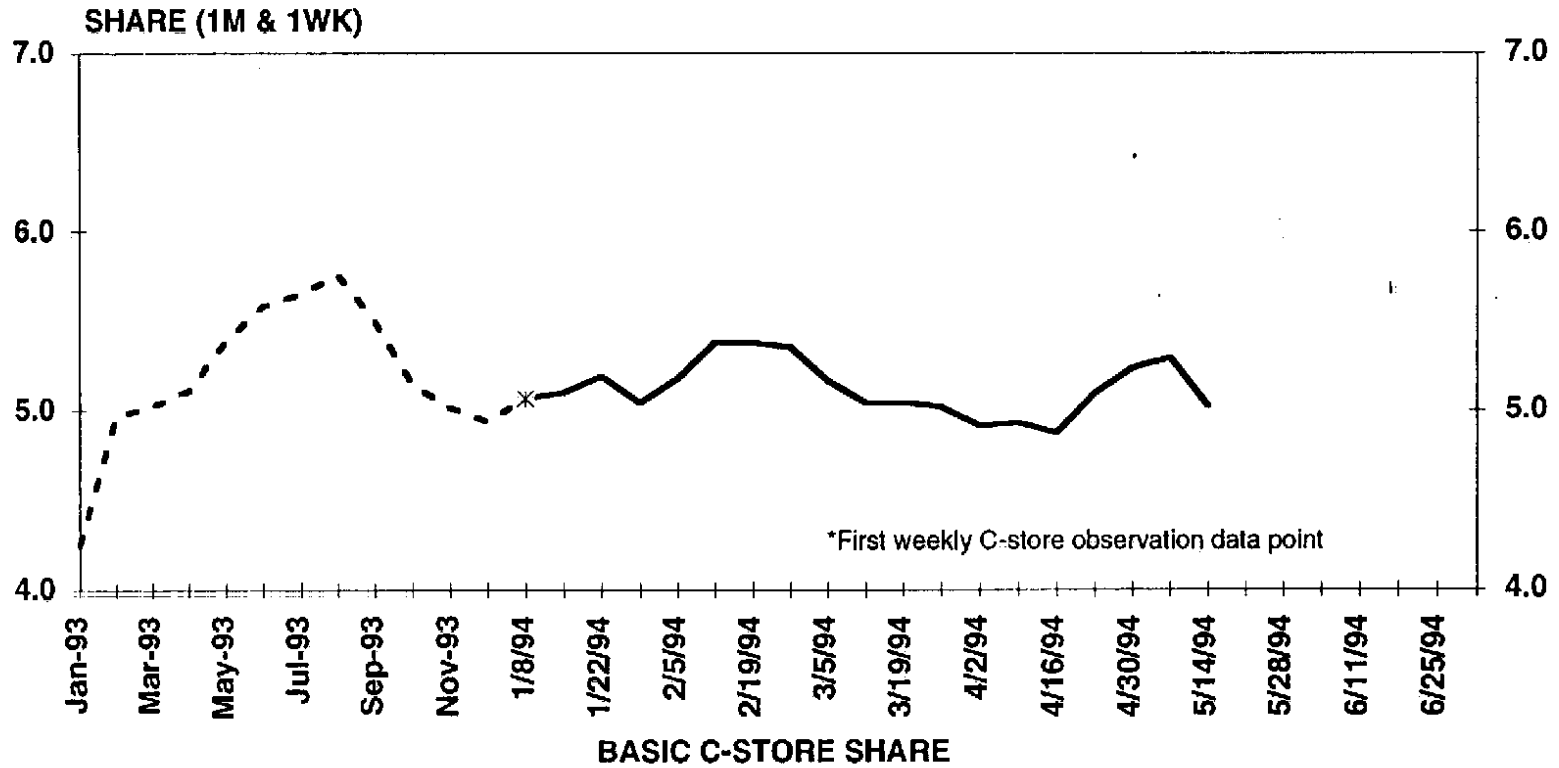
Note: Monthly share data is based on the same 800 store sample as the weekly share information.

20236559333

Source: Integrated Nielsen Panel

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

FOLLOWING THREE CONSECUTIVE WEEKLY GAINS, BASIC'S SHARE IN CONVENIENCE STORES DECLINED -0.3 POINTS VERSUS WEEK-AGO TO 5.0%. HOWEVER ITS FOUR WEEK PERFORMANCE WAS UP +0.2 POINTS TO 5.2%.



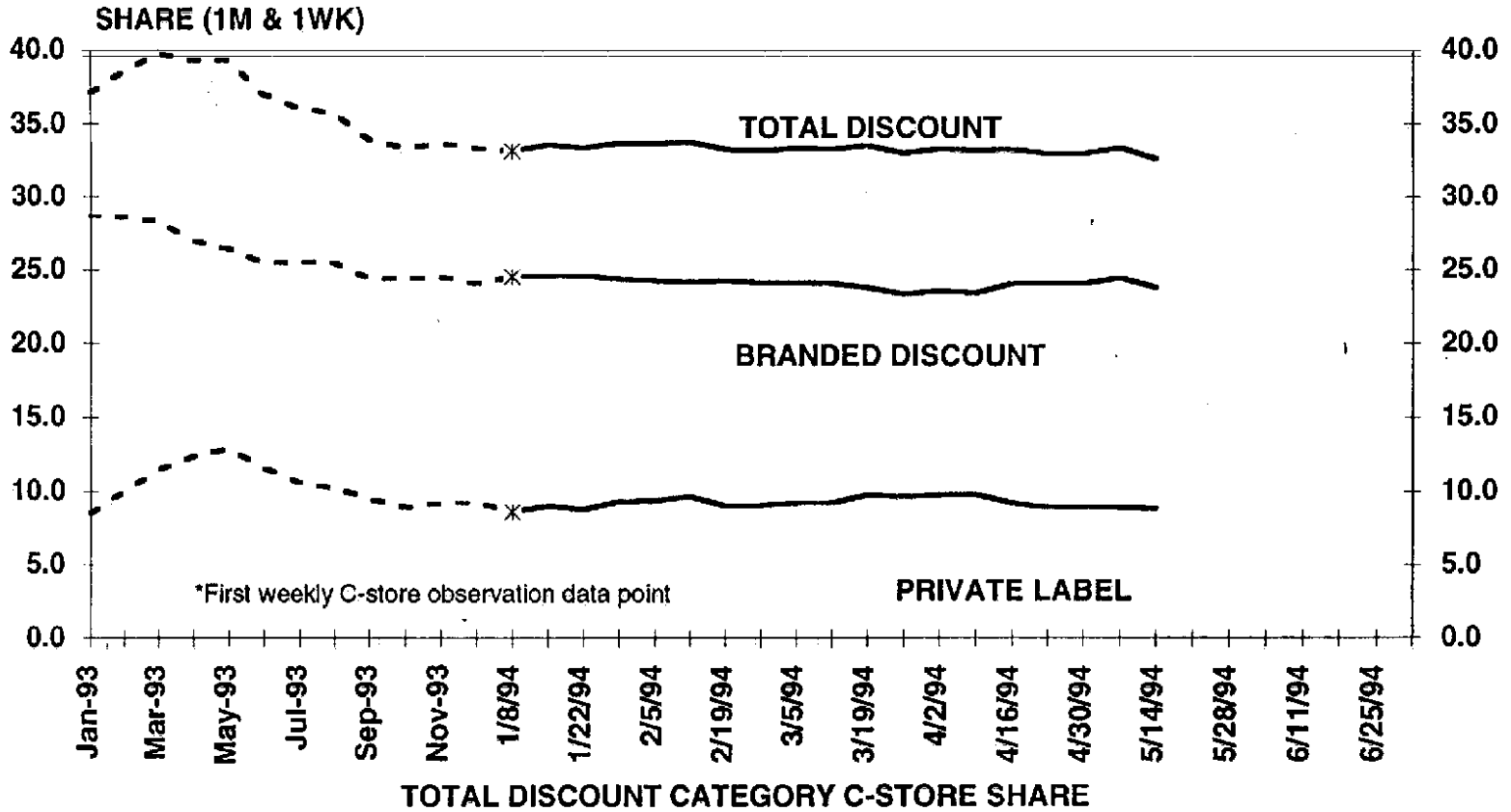
Note: Monthly share data is based on the same 800 store sample as the weekly share information.

20236559334

Source: Integrated Nielsen Panel

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

THE DISCOUNT CATEGORY'S SHARE DECLINED -0.8 POINTS VERSUS WEEK-AGO TO 32.6%, WITH THE BRANDED DISCOUNT SEGMENT (PRIMARILY MONARCH, BASIC AND GPC) ACCOUNTING FOR THE MAJORITY OF THE LOSS.



TOTAL DISCOUNT CATEGORY C-STORE SHARE

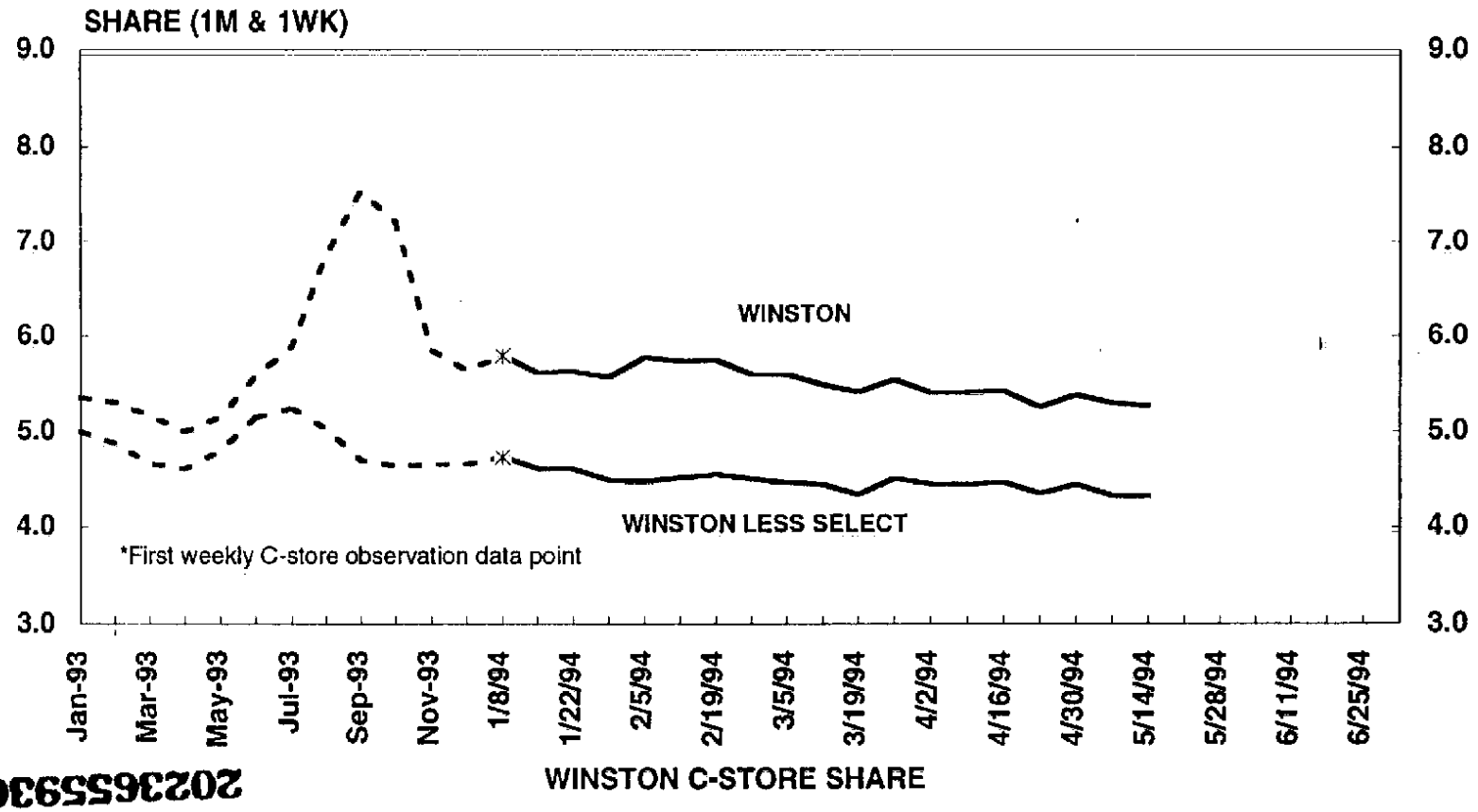
Note: Monthly share data is based on the same 800 store sample as the weekly share information.

20236559335

Source: Integrated Nielsen Panel

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

WINSTON'S SHARE WAS STABLE WEEK-TO-WEEK AT 5.3%, WHILE ON A FOUR WEEK BASIS THE FRANCHISE'S PERFORMANCE WAS OFF -0.2 POINTS.



2023655936

WINSTON C-STORE SHARE

Note: Monthly share data is based on the same 800 store sample as the weekly share information.

Source: Integrated Nielsen Panel

Nielsen Cstore weekly 800 Chart 12

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

FREE PRODUCT SHARE WAS UNCHANGED VERSUS WEEK-AGO AT 1.6%, AS RJR'S SHARE DECLINE (PRIMARILY DRIVEN BY DORAL) WAS OFFSET BY PM'S GAIN (REFLECTING INCREASED MARLBORO B4G1F INCIDENCE, UP +10 POINTS VERSUS WEEK-AGO TO 18% OF STORES).

	2/19	2/26	3/5	3/12	3/19	3/26	4/2	4/9	4/16	4/23	4/30	5/7	5/14
Total Industry	**1.07**	**1.09**	**1.07**	**1.09**	**1.19**	**0.96**	**1.32**	**1.12**	**1.07**	**1.30**	**1.27**	**1.56**	**1.56**
Total RJR	**0.70**	**0.67**	**0.78**	**0.87**	**0.76**	**0.65**	**1.03**	**0.74**	**0.62**	**0.71**	**0.57**	**0.60**	**0.45**
Total Winston	0.34	0.35	0.23	0.24	0.17	0.10	0.06	0.05	0.07	0.05	0.05	0.03	0.03
Total Camel	0.28	0.15	0.18	0.17	0.22	0.23	0.47	0.45	0.41	0.36	0.28	0.29	0.31
Total Doral	0.05	0.16	0.35	0.45	0.35	0.28	0.47	0.22	0.13	0.29	0.24	0.26	0.10
Monarch	0.03	0.01	0.01	0.01	0.02	0.03	0.03	0.02	0.01	0.01	0.00	0.03	0.01
Total PM	**0.21**	**0.24**	**0.11**	**0.11**	**0.29**	**0.21**	**0.23**	**0.28**	**0.36**	**0.49**	**0.53**	**0.80**	**0.96**
PM Premium	0.00	0.00	0.00	0.03	0.02	0.01	0.01	0.01	0.04	0.04	0.02	0.21	0.59
PM Discount	0.21	0.24	0.11	0.08	0.28	0.20	0.22	0.27	0.32	0.45	0.51	0.59	0.37
Total Lorillard	**0.04**	**0.01**	**0.01**	**0.00**	**0.01**	**0.00**	**0.00**	**0.01**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Total B&W	**0.09**	**0.07**	**0.09**	**0.06**	**0.07**	**0.08**	**0.05**	**0.07**	**0.06**	**0.07**	**0.10**	**0.12**	**0.10**
Total American	**0.02**	**0.10**	**0.08**	**0.05**	**0.06**	**0.03**	**0.01**	**0.02**	**0.03**	**0.03**	**0.07**	**0.04**	**0.04**

2023655937

SOURCE: NEILSEN WEEKLY C-STORE AUDIT (400 STORES)

Free Prod Chart

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

2023655938

SMOKER SHARE

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

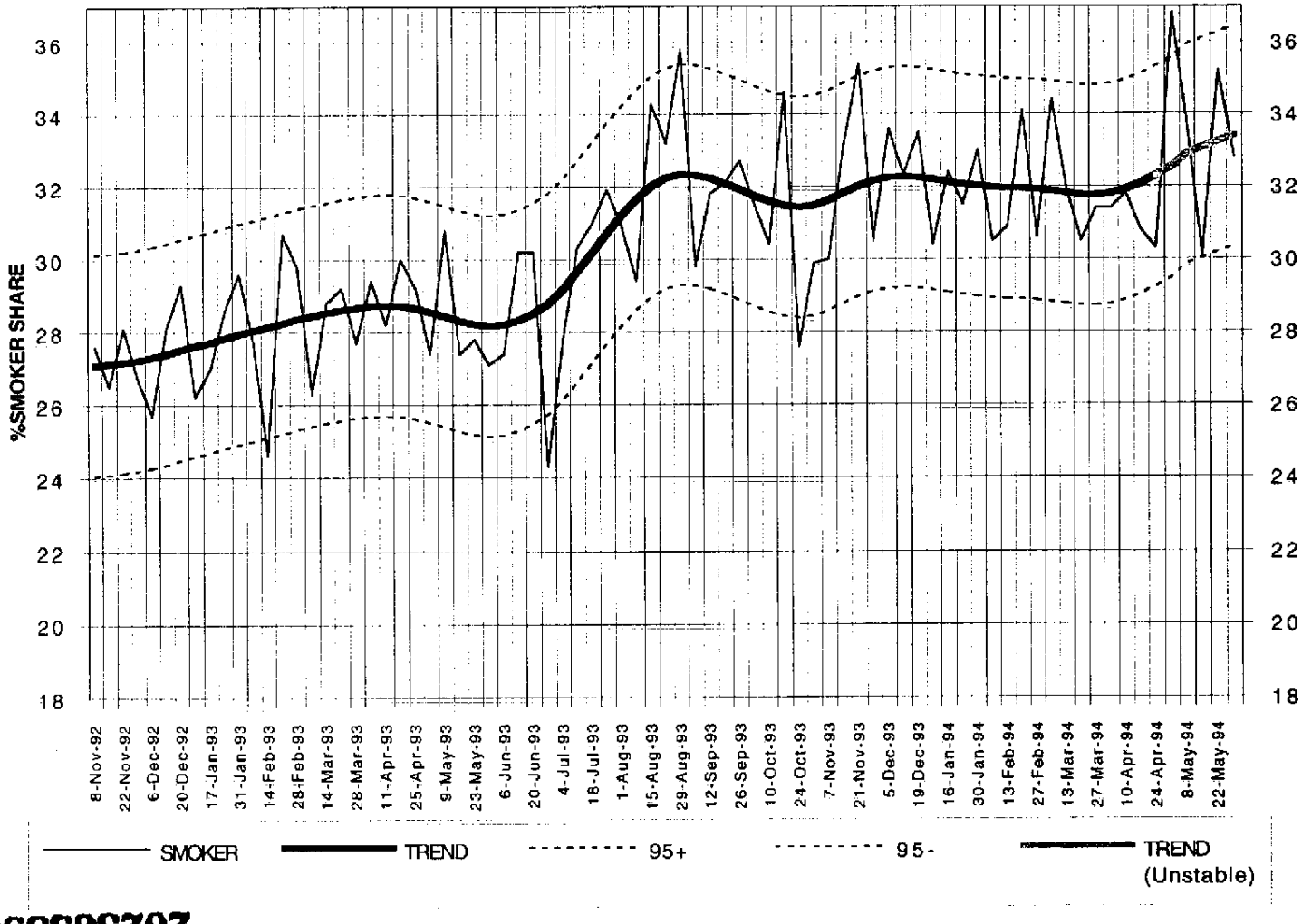
MARLBORO SMOKER SHARE

- Marlboro's smoker and volumetric share trends remain consistent with record Nielsen and shipment performance.
  - Among total franchise and young adult smokers.
- Marlboro continues to enjoy stronger long term interaction with Discount brands than with competitive premium offerings.

2023655939

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

MARLBORO SMOKER SHARE (AMONG TOTAL SMOKERS)



2023655940

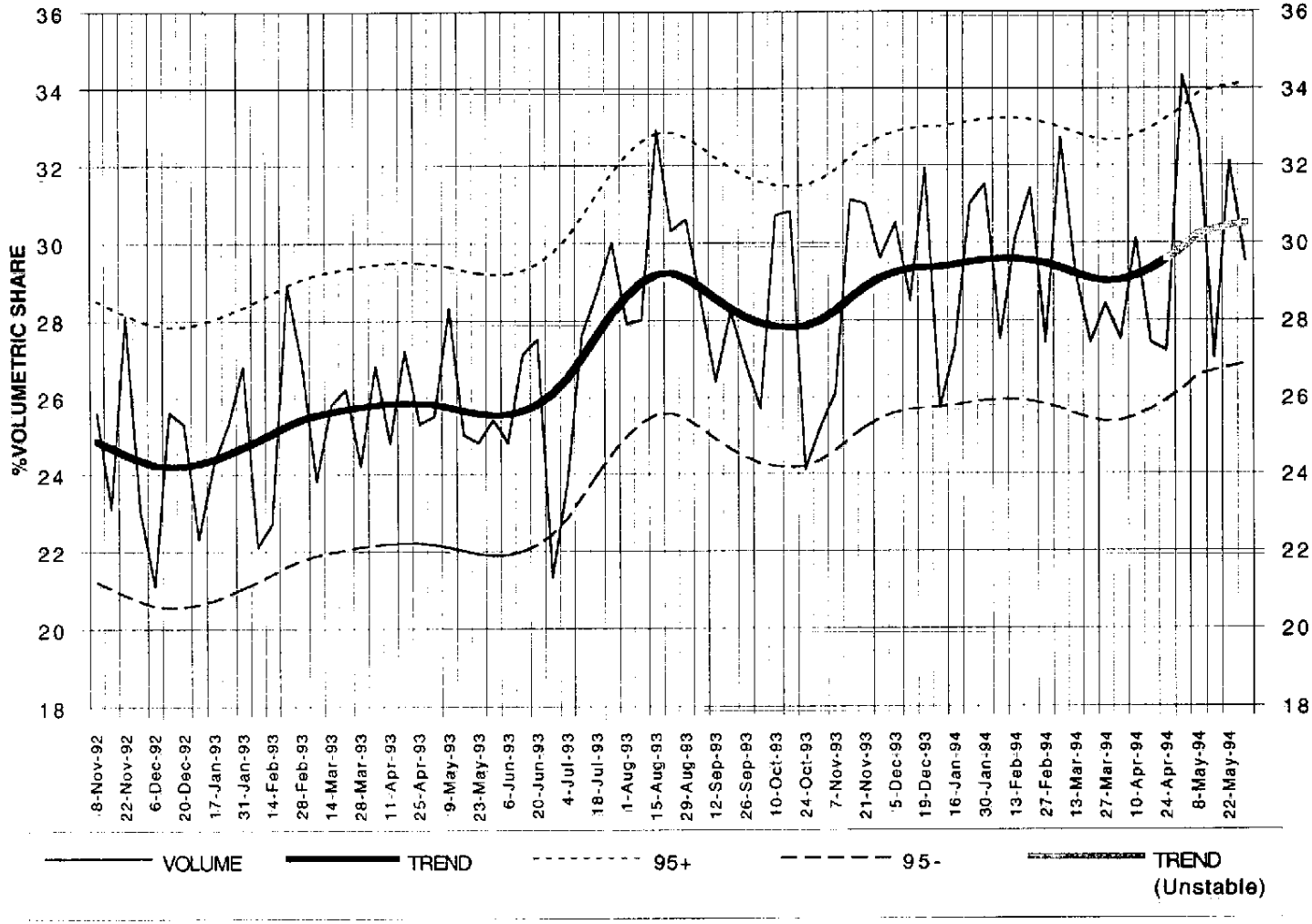
SOURCE: SMOKER TRACKING STUDY – WEEKLY

*MAY '94 REPRESENTS TOP LINE DATA

W.SMOK.2

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

MARLBORO VOLUMETRIC SHARE (AMONG TOTAL SMOKERS)



2023655941

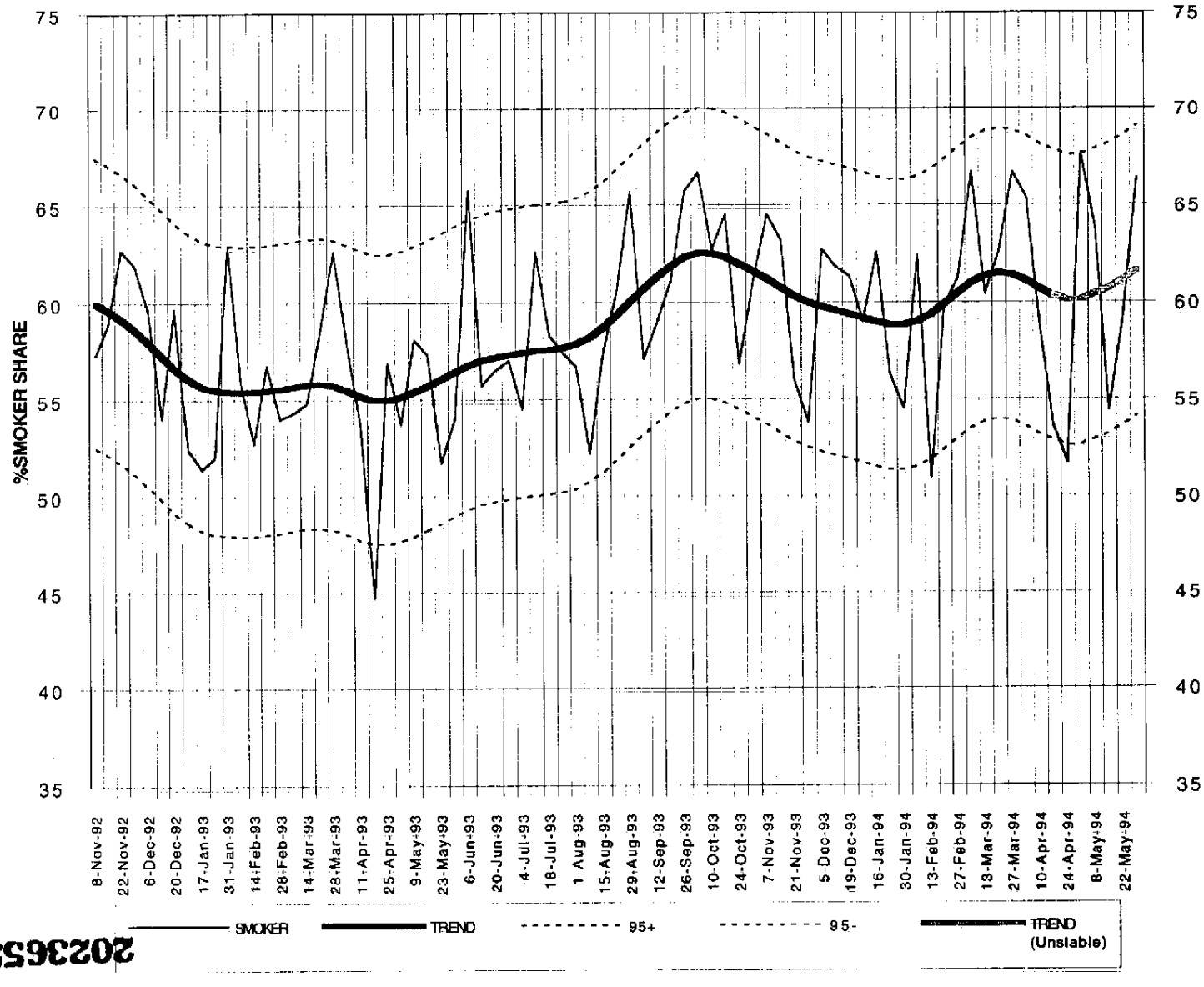
SOURCE: VOLUMETRICS – WEEKLY

*MAY REPRESENTS TOP LINE DATA

W.VOL.1

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

MARLBORO SMOKER SHARE (AMONG 18-24 SMOKERS)



20236559 42

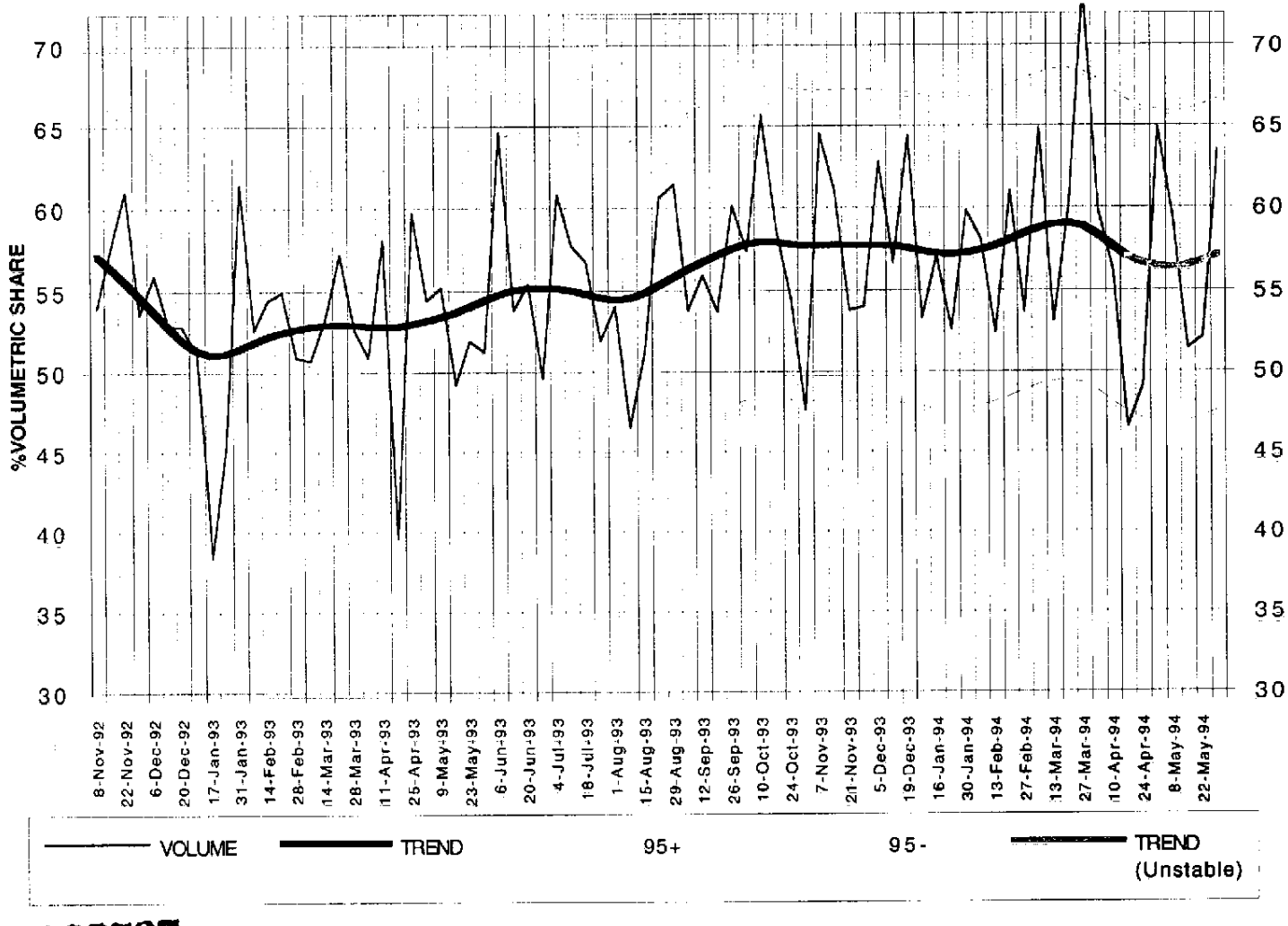
SOURCE: SMOKER TRACKING STUDY -- WEEKLY

*MAY '94 REPRESENTS TOP LINE DATA

- W.SMOK 1824.5

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

MARLBORO VOLUMETRIC SHARE (AMONG 18-24 SMOKERS)



2023655943

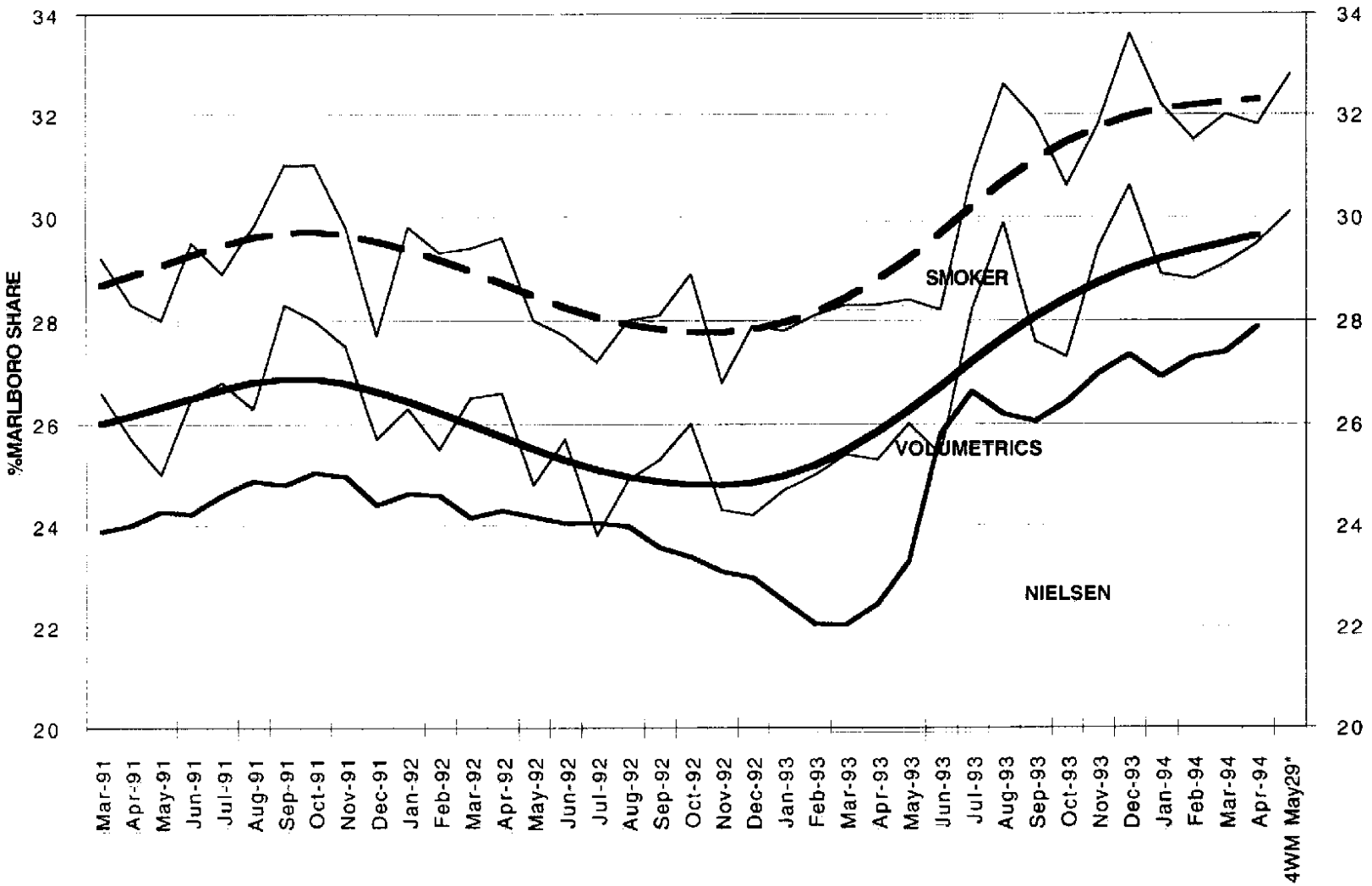
SOURCE: VOLUMETRICS -WEEKLY

*MAY '94 REPRESENTS TOP LINE DATA

W.VOL.1824.3

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

MARLBORO SMOKER AND VOLUMETRIC SHARE TRENDS (AMONG TOTAL SMOKERS) CONTINUE TO INCREASE.



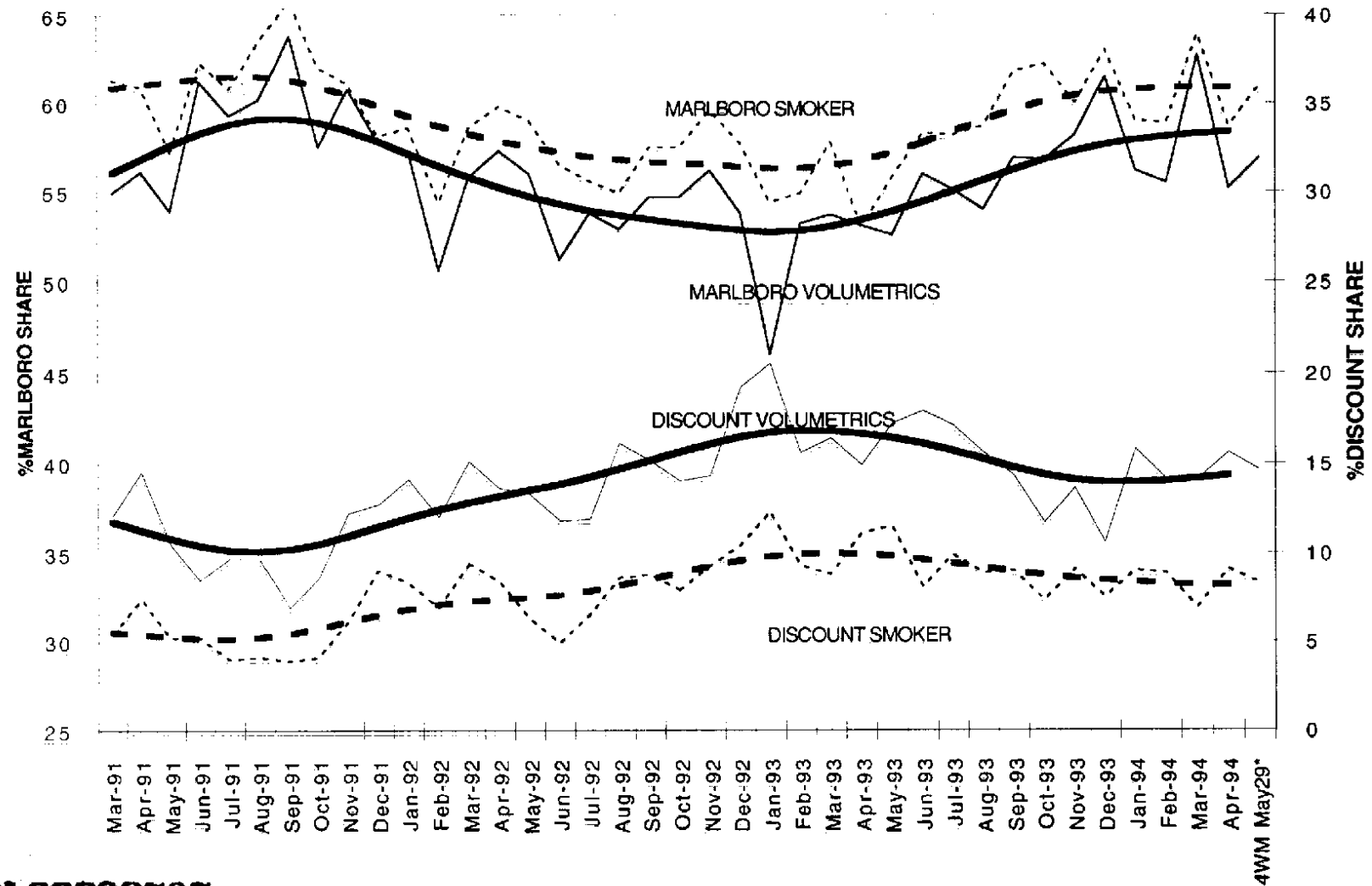
2023655944

SOURCE: CONTINUOUS TRACKING STUDY, NIELSEN -- MONTLY

*MAY94 REPRESENTS TOP LINE DATA

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

MARLBORO SMOKER AND VOLUMETRIC SHARE TRENDS (AMONG 18-24 SMOKERS) ARE STABLE.



2023655945

SOURCE:CONTINUOUS SMOKER TRACKING STUDY – 1MM

*MAY '94 DATA IS TOP LINE

W.MARLB.1824.7

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

2023655946

MICHIGAN

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

MICHIGAN SUMMARY
5/14/94

- Michigan's 25¢ state excise tax increased 50¢ to 75¢ effective May 1.

Latest Information Indicates:

- Shipments at 61% of going rate, less than 1 week excess left at wholesale with comparable premium mix to pre-SET levels. Retail excess appears minimal.
- Full pass through in most stores, raising prices during the first week at retail. Consumer awareness of higher prices almost universal.
- Net of pantry loading, Industry (-4%), PM (-4%) and RJR retail volumes (-4) comparably impacted despite heavier money-off support by competitors. Marlboro volume % change vs. base (-1%) more stable than PM OPB (-4%) and Basic (-8%).
- Supermarket volume appears to be shifting towards other carton outlets more than to C-stores.
- Noticeable absence of premium pack promotional support thus far. Competitive response skewed to money-off deals (Premium cartons and Discount brands).
  - Initial competitive promotional Discount brand support appears to shield these brands (-1%) at Basic's expense (-8%).

2023655947

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

Michigan Cume Performance

Retail Cume 5/14/94

- Industry retail volume* declined -4% net of pantry loading.
  - Industry volume grew in the two weeks leading up to the SET increase (+11%).
  - Industry volume declined during the first two weeks of the SET increase (-19%).

- Net of pantry loading, PM volume performance paralleled the industry (-4%) with minimal initial impact on Marlboro (-1%).
  - PM (+10%) and Marlboro (+9%) both increased in the two weeks leading to the tax hike.
  - Both PM(-19%) and Marlboro (-12%) volume declined during the two weeks post SET increase.
  - Marlboro's net volume losses (-1%) are comparatively better than PM's Other Premium brands (-4%) and Basic (-8%).

- PM's latest weekly Nielsen share grew +2.4 points to 52.7% versus the base period, driven by Marlboro (+2.2).
  - In C-stores half of PM's advance (+3.6) was associated with Marlboro's growth (+1.8).
  - In Supermarkets more than one-third of PM's share gains (+2.8) came from Marlboro (+1.1).

2023655948

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

Michigan Cume Performance

Pricing Cume 5/21/94

- Premium and Discount pack prices in C-stores have stabilized, following full pass through during the first week at retail.

  - The lowest discount price is above $1.70 in 70% of MI stores compared to 11% nationally.

  -Heavy media coverage and approval via the voting process corresponds to almost universal awareness of the SET increase.

Promotional Support Cume 5/14/94

- Other manufacturers featuring stronger money-off support showed weaker performance than PM-USA.

  - PM's money-off incidence in C-stores (18%) compares favorably to RJR (47%), Lorillard (40%) and American Brands (22%).

  - Promotional support skews to premium and discount cartons and discount pack activity.

Shipments' Cum. 5/2794

- PM Michigan shipment volume was 61% below the going rate. Less than one weeks average volume remains to be depleted at wholesale (40.9 million units).

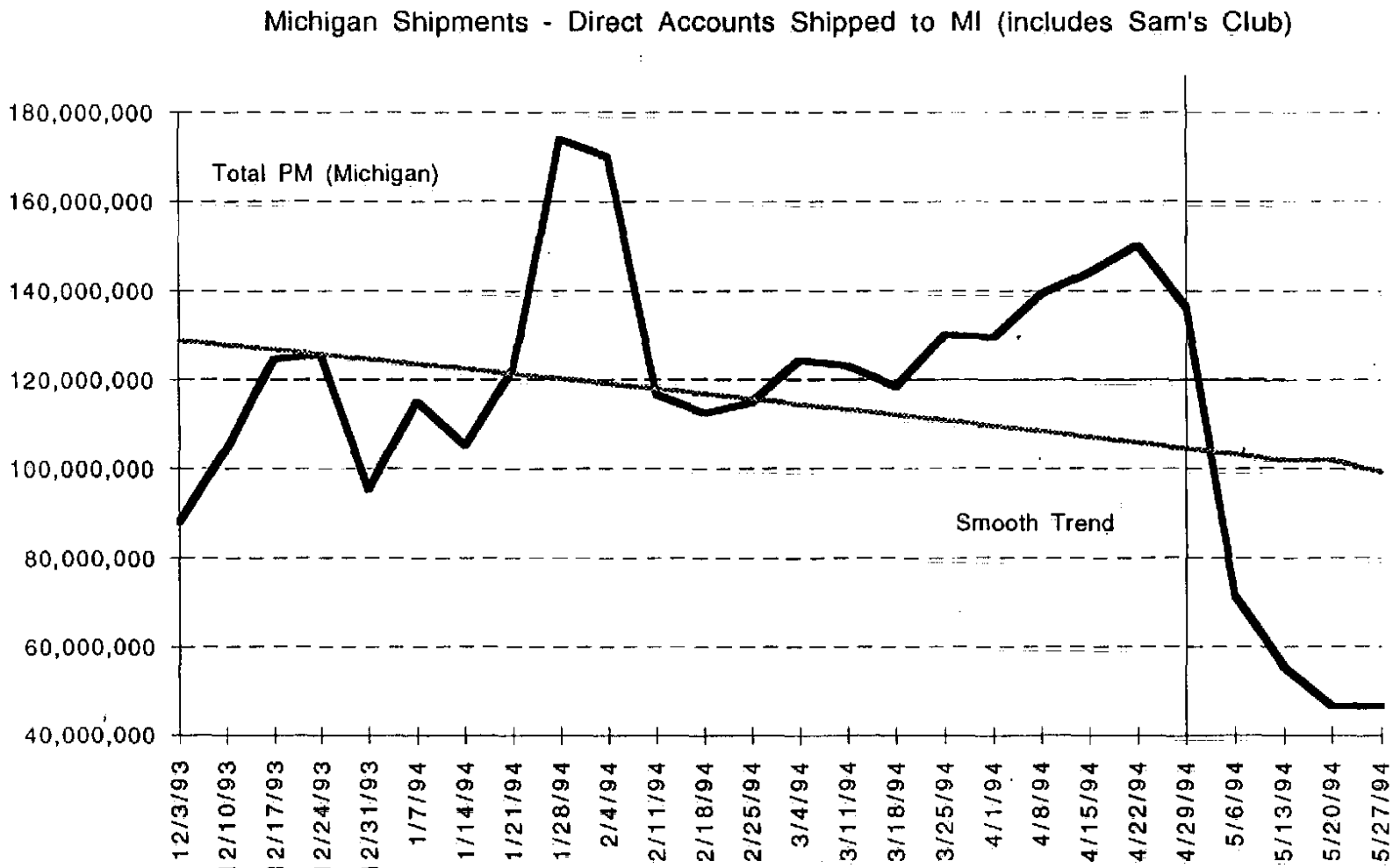
2023655949

  - PM reorders during May appear in proportion to historical going rate brand and category contribution.

* Nielsen Stores (30 C-Stores, 58 Supermarkets)

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

PM Michigan shipments were -61% below the going rate: Less than one average week's volume (41 million units) remain to be depleted.



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Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

- A growing numbers of smokers report that they are buying fewer cigarettes following the tax change.
- Relatively few smokers report that they are buying - or intend to buy - cigarettes outside of Michigan, with the highest mentions coming from smokers living in counties bordering other states.
- Few smokers report switching down to lower priced cigarette brands.

	Pre-Tax Period		Post-Tax Period		
	4/4 - 17 %	4/18 - 30 %	w/o 5/2 %	w/o 5/9 %	w/o 5/16 %
Aware of Tax Increase	**93**	**95**	**98**	**98**	**97**
Volunteered Mention	71	81	86	84	78
Changed Purchasing Behavior Because of Tax Increase?	**13**	**16**	**31**	**38**	**38**
Stocking up/Buying before May 1	2	4	na	na	na
Buying fewer/cutting back	5	7	16	20	21
Quitting smoking	2	3	5	6	4
Buying in another state	1	1	1	3	2
Interior Michigan	-	*1*	-	*1*	-
Exterior Michigan	*1*	-	*2*	*6*	*5*
Buying lower priced brands	1	1	2	3	2
Plan to Change Purchasing Behavior Because of Tax Increase?	**53**	**55**	**51**	**49**	**43**
Will quit smoking	31	27	29	35	24
Will buy fewer cigarettes	15	21	21	10	14
Will go to another state to buy	3	3	2	3	3
Interior Michigan	*1*	2	*2*	*2*	2
Exterior Michigan	*5*	*3*	*2*	*4*	*5*
Will buy lower priced brands	3	2	2	2	1

2023655951

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

Premium and Discount pricing in Michigan has stabilized as pass through of the SET increase was completed after one week at retail.

The resulting $ pack and carton gaps have widened while the percentage gaps have narrowed versus the base period.

C-STORE PACKS

	Base Week 4/30	5/7	5/14	5/21	Change Prior Week	Change Base Week
Marlboro (net)	$1.80	$2.34	$2.35	$2.34	($0.01)	$0.54
Lowest Discount	1.31	1.81	1.80	1.79	($0.01)	$0.48
$ Gap	0.49	0.53	0.55	0.55	$0.00	$0.06
% Gap	37.4%	29.3%	30.6%	30.7%	0.2%	-6.7%

Sprmkts, Drug, Mass CARTONS

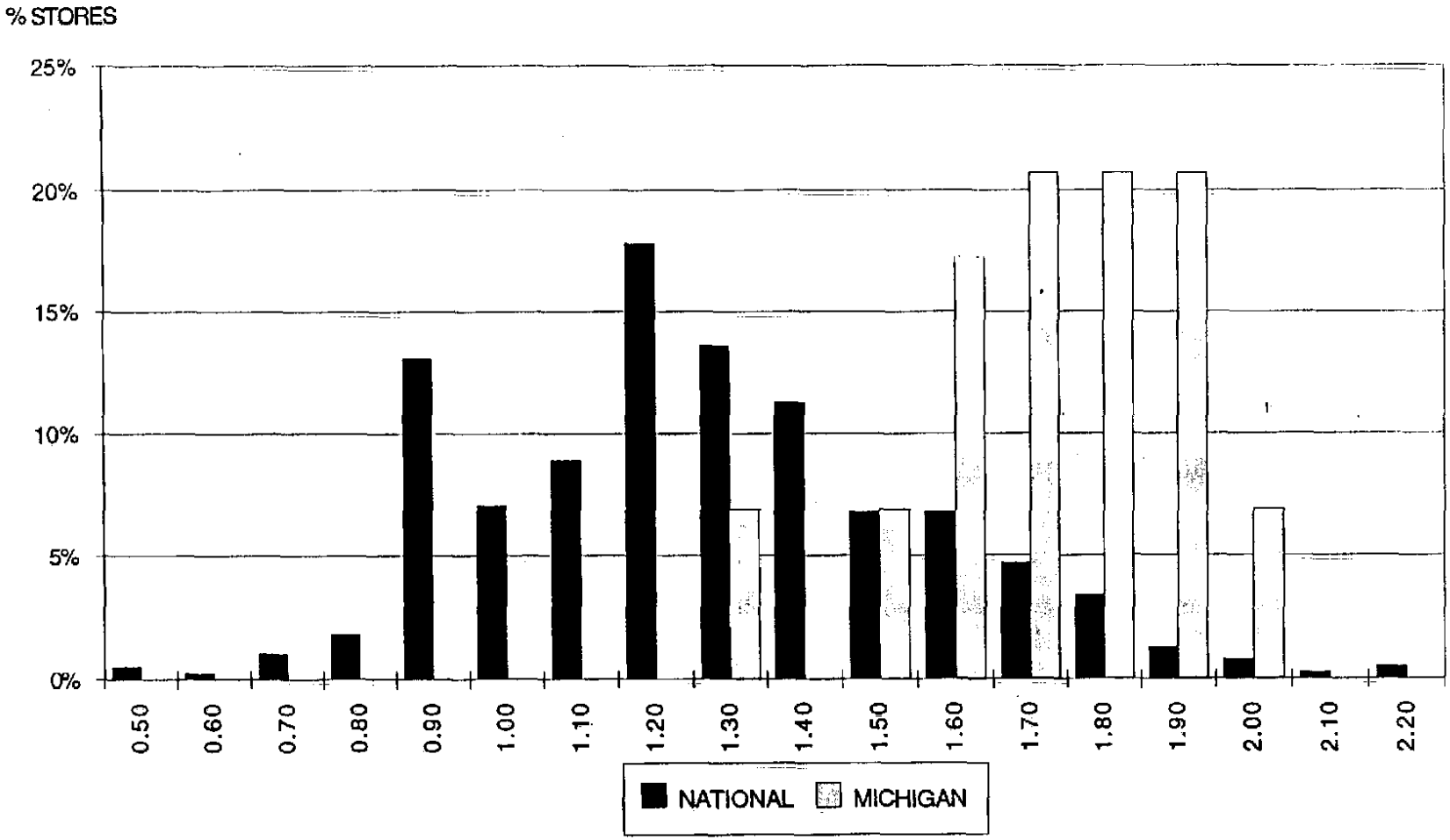
Marlboro (net)	$15.64	$20.64	$20.70	$20.74	$0.04	$5.10
Lowest Discount	11.57	16.61	16.55	16.56	$0.01	$4.99
$ Gap	4.07	4.03	4.15	4.18	$0.03	$0.11
% Gap	35.2%	24.3%	25.1%	25.2%	0.0%	-9.9%

SOURCE: NIELSEN PRICING AUDIT

2023655952

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

THE LOWEST DISCOUNT PRICE IS ABOVE $1.70 IN 70% OF STORES IN MICHIGAN COMPARED TO 11% NATIONALLY.



2023655953

SOURCE: NIELSEN PRICING AUDIT

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Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000

STATE OF MICHIGAN

	RETAIL VOLUME, TWO WEEK % CHANGE VERSUS BASE			SHARE CURRENT WEEK VERSUS BASE
	PRE-S.E.T.	POST-S.E.T.	NET OF PANTRY LOADING	SHARE W/E 5/14/94
Total Industry	11%	-19%	-4%	N/A
C-Stores	3%	-6%	-2%	N/A
Supermarkets	12%	-42%	-15%	N/A
Philip Morris	10%	-19%	-4%	2.4
R.J. Reynolds	12%	-21%	-4%	-2.3
B&W	9%	-16%	-4%	-0.1
Lorillard	11%	-13%	-1%	0.4
American	15%	-32%	-8%	-0.5
Liggett	27%	-20%	3%	-0.1
PM Premium	12%	-16%	-2%	1.5
Marlboro	9%	-12%	-1%	2.2
OPB	17%	-25%	-4%	-0.7
PM Discount	8%	-23%	-8%	0.9
Basic	8%	-24%	-8%	0.8
Competitive				
Premium	11%	-22%	-6%	1.0
Discount	15%	-16%	-1%	-1.4

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Source: Nielsen Integrated Database (MI)
Base Period: W/E 3/5/94 - 3/26/94

MI_highmatrix

Source: https://www.industrydocuments.ucsf.edu/docs/rgpk0000